PROSPECTUS

ARGEO ASA

(A public limited liability company incorporated under the laws of Norway)

Listing of the Company's Shares on Oslo Børs

This Prospectus (the "**Prospectus**") has been prepared by Argeo ASA (the "**Company**" or "**Argeo**"), a public limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**"), solely for use in connection with the listing (the "**Listing**") of the Company's 44,416,349 outstanding shares, each with a par value of NOK 0.50 (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**" or the "**Oslo Stock Exchange**"). All Shares will rank in parity with one another and carry one vote. Except where the context otherwise requires, references in this Prospectus to the Shares refer to all issued and outstanding ordinary shares of the Company.

The Shares have been trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs since 26 April 2021 under the ticker code "ARGEO" with ISIN NO0013257410. On 24 September 2024, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 18 October 2024. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 24 October 2024, under the ticker code "ARGEO". The Shares are registered in the Norwegian Central Depository (Nw.: *Verdipapirsentralen i Norge*) (the "**VPS**") in book-entry form. The distribution of this Prospectus may in certain jurisdictions be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 14 "*Transfer restrictions*".

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES, BENEFICIAL INTERESTS OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "*Risk Factors*" when considering an investment in the Company.

Advokatfirmaet Schjødt AS | Pareto Securities AS | SpareBank 1 Markets AS

The date of this Prospectus is 23 October 2024

IMPORTANT NOTICE

This Prospectus has been prepared by Company in connection with the Listing of the Shares on Oslo Børs.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors between the time of approval of this Prospectus by the Norwegian FSA and the Listing on Oslo Børs, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of the affiliates, representatives, advisors of the foregoing.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the securities described herein. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 14 *"Transfer restrictions"*.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company nor any of its representatives or advisers, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 *"General Information"*. Investing in the Shares involves certain risks. See section 2 *"Risk Factors"*. For definitions of certain other terms used throughout this Prospectus, see Section 18 *"Definitions and glossary"*.

Pareto Securities AS and SpareBank 1 Markets AS acts as listing advisors in connection with the Listing (collectively, the "**Listing Advisors**").

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Listing or this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the **"Board of Directors**", respectively) and the members of the Company's senior executive management team are not residents of the United States of America (the "**U.S.**" or "**United States**"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

DATA PROTECTION

As data controllers, the Receiving Agent processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations, including the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") and the Norwegian Data Protection Act of 15 June 2018 No.38. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on the Receiving Agent's processing of personal data, please review the Receiving Agent's privacy policy,which is available on its website or by contacting the Receiving Agent. The privacy policy contains information about the rights inconnection with the processing of personal data, such as the access to information, rectification, data portability, etc. If theapplicant is a corporate customer, such customer shall forward the Receiving Agent's privacy policy to the individuals whose personal data it discloses to the Receiving Agent.

TABLE OF CONTENTS

APPENDICES

1 SUMMARY

INTRODUCTION

Warning…………………………	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities………………………	The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO0013257410.
Issuer……………………………	The Company's registration number in the Norwegian Register of Business Enterprises is 913 743 075 and its Legal Entity Identifier (LEI) is 894500SHXBC6FQ4L8U37. The Company's registered office is located at Nye Vakås vei 14, Hvalstad, Norway. The Company's website can be found at www.argeo.no/ and its telephone number is (+47) 66 85 90 99.
Competent authority…………	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number (+47) 22 93 98 00 has reviewed and, on 23 October 2024, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information………	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company was incorporated in Norway on 28 May 2014 as a private limited liability company and transformed to a public limited liability company following an extraordinary general meeting held on 8 October 2024, its registration number in the Norwegian Register of Business Enterprises is 913 743 075 and its Legal Entity Identifier (LEI) is 894500SHXBC6FQ4L8U37.
Principal activities…………….	Argeo provides survey, inspection and light intervention subsea services to industries installing, constructing, or maintaining infrastructure or equipment in the oceans. Argeo provides these services primarily by acquiring data using advanced autonomous underwater vehicles ("**AUVs**"), unmanned surface vehicles ("**USVs**") and robotics systems for then to apply advanced integrated processing and interpretation creating a high-resolution digital representation of the seafloor and the sub-seafloor. The digital representation is based upon geophysical, hydrographic, and geological sensor data to be used by the customers in business segments such as renewables, oil and gas, and offshore installations. The Group also provides exploration services using the same robots, but with specialized sensors to characterize the deep ocean space seafloor for high value deep sea minerals used in the electronics and renewables industry.

Major shareholders…………… Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 18 October 2024.

Table 1 – Overview of major shareholders

#	Shareholder	No. of Shares	Percentage
1	KISTEFOS AS (1)	6,524,368 (1)	14.68% (1)
2	SHEARWATER GEOSERVICES HOLDING AS	4,024,725	9.06%
3	LANGEBRU AS	2,500,000	5.62%

(1) *Kistefos AS indirectly owns an additional 2,376,690 shares through custodian accounts with DNB Markets, a part of DNB Bank ASA, and SpareBank 1 Markets AS, bringing the total number of shares controlled to 8,901,058, equal to 20.04% of the Company's outstanding shares.*

(2)

Key managing directors…… The Company's executive management consists of three individuals. The names of the members of the management and their respective positions are presented in the below table.

Table 2 – Overview of the executive management

Name	Current position within the Company
Trond F. Crantz	Chief Executive Officer (CEO)
Odd Erik Rudshaug	Chief Financial Officer (CFO)
Thorbjørn Rekdal	Chief Technology Officer (CTO)

Independant auditor……………… The Company's independent auditor is RSM Norge AS, with company registration number 982 316 588 and registered business address at Ruseløkkveien 30, 0251 Oslo, Norway. On 8 October 2024, an extraordinary general meeting of the Company elected KPMG AS, with registration number 935 174 627 and registreded business adress at Sørkedalsveien 6, 0369 Oslo, as the Company's new independent auditor.

What is the key financial information regarding the issuer?

In 2024, the Company decided to convert its financial reporting from Norwegian Generally Accepted Accounting Principles ("**NGAAP**") to International Financial Reporting Standards, as adopted by the EU ("**IFRS**"). As such, the Company has prepared audited annual consolidated financial statements as of and for the years ended 31 December 2023, 2022 and 2021 in accordance with IFRS (the "**Annual Financial Statements**"). Moreover, the Company has prepared unaudited consolidated financial statements for the six-month period ended 30 June 2024 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**") in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU ("**IAS 34**")

The table below sets out key financial information extracted from the Company's consolidated statements of income as of and for the years ended 31 December 2023, 2022 and 2021 (prepared in accordance with IFRS) and as of and for the period ended 30 June 2024 (prepared in accordance with IAS 34).

Table 3 – Key Financials – Comprehensive income Statement	**Three-month period ended 30 June**		**Six-month period ended 30 June**		**Year ended 31 December**		
(Amounts in USD thousands)	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2023** *IFRS Audited*	**2022** *IFRS Audited*	**2021** *IFRS Audited*
Total revenues and other income	15,664	1,379	25,131	3,816	10,126	3,485	1,842
Gross profit	5,475	-1,004	9,615	-1,257	-4,415	-2,181	-1,305
Total operating expenses	3,837	1,704	6,868	3,172	9,248	4,401	1,973
Operating profit (loss)/EBIT	1,638	-2,708	2,746	-4,430	-13,663	-6,582	-3,279
Net financial items	-2,550	50	-1,672	424	-3,193	-1,234	-25
Profit (loss) before tax	-911	-2,658	1,074	-4,006	-16,856	-7,816	-3,304
Net profit (loss) for the period	-911	-2,638	1,076	-4,083	-16,935	-8,926	-2,156

The table below sets out key financial information extracted from the Company's consolidated balance sheet as of and for the years ended 31 December 2023, 2022 and 2021 (prepared in accordance with IFRS) and as of and for the period ended 30 June 2024 (prepared in accordance with IAS 34).

Table 4 – Key Financials – Financial Position	**As at 30 June**	**As at 31 December**		
(Amounts in USD thousands)	**2024** *IAS 34 Unaudited*	**2023** *IFRS Audited*	**2022** *IFRS Audited*	**2021** *IFRS Audited*
Total non-current assets	82,258	59,347	24,347	3,789
Total current assets	24,256	12,254	8,458	15,947
Total assets	106,514	71,601	32,805	19,735
Total equity	41,774	35,010	14,604	16,694
Total non-current liabilities	34,626	18,053	4,766	1,004
Total current liabilities	30,113	18,537	13,435	2,038
Total liabilities	64,739	36,590	18,201	3,041
Total equity and liabilities	106,514	71,601	32,805	19,735

The table below sets out key financial information extracted from the Company's consolidated statement of cash flow as of and for the years ended 31 December 2023, 2022 and 2021 (prepared in accordance with IFRS) and as of and for the period ended 30 June 2024 (prepared in accordance with IAS 34).

Table 5 – Key Financials – Cash flow	**Six-month period ended 30 June**		**Year ended 31 December**		
(Amounts in USD thousands)	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2023** *IFRS Audited*	**2022** *IFRS Audited*	**2021** *IFRS Audited*
Net cash flows from operating activities	132	-4,204	-4,229	4,243	-11,139
Net cash flows from investing activities	-15,896	-2,762	-22,828	-26,635	-399
Net cash from financing activities	13,201	5,941	30,264	18,148	18,377
Net change in cash and cash equivalents	-2,564	-1,026	3,207	-4,243	6,839
Cash and cash equivalents at end of period	2,701	1,147	5,340	2,163	7,468

What are the key risks that are specific to the issuer?

Material risk factors…………

- The Group's business revolves around its agreements and relationship with its contracting parties and commercial partners.
- The Group faces risks related to product and service quality, and failure to meet customer demands and expectations in product and service delivery could significantly impact the Group's business, results of operations, financial condition, cash flows, and/or prospects.
- The Group may risk not being awarded projects in the future or on terms that are not favourable to the Group.
- The Group is exposed to risks related to its ageements and relationships with subcontractors and other parties.
- The Group's vessel operations involve significant fuel purchases and exposure to fuel price fluctuations, with recent increases in fuel costs impacting expenses and potentially reducing profit margins due to the Group's lack of hedging against this risk.
- The Group is exposed to risks associated with international operations.
- The Group is subject to risks relating to changes in laws, regulations and is dependent on permits and approvals to operate.
- In order to execute the Group's growth strategy, the Group may require additional capital in the future, which may not be avilable on favourable terms or at all.
- Future debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities.
- The Group is exposed to credit and liquidity risks.
- The Group's ability to service its debt obligations under the sale-and-leaseback agreement for its vessel Argeo Venture (as defined below) depends on future financial and operating performance, impacted by economic conditions and other factors beyond its control.

- The Group is exposed to risks related to technology and know-how and the Group may not be able to launch competitive and technologically advanced products and services.
- The Group's operations are exposed to risks from harsh weather conditions, which can cause operational delays, equipment damage, increased safety measures, and compromised data quality. These factors can lead to increased costs, project delays, and reduced profitability, adversely affecting the Group's financial performance and position.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN……….….	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO NO0013257410.
Currency, par value and number of securities…………...	The Shares will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's share capital is NOK 22,208,174.50 divided on 44,416,349 Shares, each with a nominal value of NOK 0.50.
Rights attached to the securities………………………..	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
Transfer restrictions…………...	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy……………………………	The Company is focusing on the development of its products and services and has no current plans to pay dividend. The Company is however committed to creating long-term value for its shareholders and intends to distribute the majority of its future earnings as cash dividends, in addition to financing future growth with any remaining future earnings. The Company's dividend policy states that any proposal to authorize the Board to approve distribution of dividends will be explained. Additionally, general authorizations for the Board to increase the share capital or to buy the Company's own shares will normally be restricted to defined purposes and will, in general, be limited in time to the date of the next annual general meeting of the Company.

Where will the securities be traded?

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs ASA under the ticker code "ARGEO" with ISIN NO0013257410. On 24 September 2024, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 18 October 2024. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on 24 October 2024, under the ticker code "ARGEO".

What are the key risks that are specific to the securities?

Material risk factors…………

- Future issuance of Shares or other securities, including warrants and options, in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares.
- The Company may be unwilling or unable to pay dividends or make distributions.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Admission to trading…………	On 24 September 2024, the Company applied for admission to trading and listing of its Shares on Oslo Børs. Oslo Børs approved the listing application on 18 October 2024. The Company expects commencement of trading in the Shares on Oslo Børs on or about 24 October 2024.

Why is this prospectus being produced?

Reasons for the offer/admission to trading ……	This Prospectus is being produced in connection with the Listing of the Shares on Oslo Børs. The main reason for the Listing is to facilitate greater liquidity in the Shares, attract new prospective shareholders, and build a more diversified shareholder base. In the first half of 2024, Argeo reported positive results and are now considered fully operational with a complete spread of vessels, AUVs and technology required to carry out its intended service offering. Hence, the Company is of the view that it is now entering the next phase of its growth strategy believes that an uplisting to the main list on Oslo Børs will enhance the Company's profile with investors and business partners. In addition, the Listing may improve the Company's access to capital markets, facilitating the financing of potential new growth opportunities with new, larger, and professional shareholders.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors, and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision.

If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

2.1 Risks related to the business of the Group and the industry in which it operates

2.1.1 *The Group's business revolves around its agreements and relationship with its contracting parties and commercial partners*

The Group's business revolves around its agreements and relationships with customers and other third parties to expand and scale its operations and business. The Group has entered into several contracts that are considered critical to its business and operations, as well as its ability to grow, including contracts relevant for the current backlog, as further set out in Section 8.8 "*Patents, contracts, licenses, etc*." and Section 8.4.5 "*Backlog and backlog phasing*". As outlined in Section 8.8, the agreements considered to be of such importance are:

- The Company has signed a USD 39 million contract with international energy company TotalEnergies for work in offshore Africa that will occupy Argeo Venture for the remainder of 2024.
- The Company has signed a NOK 154 million contract with India's national Centre for Polar and Ocean Research (NCPOR) regarding a near-seabed exploration survey and data analysis project, whereof approx. 80% has been successfully completed, and whereof the remaining approx. 20% has been left outstanding as an optionality to be discussed between the parties during Q4 2024 and which, if to be completed, in all likelihood will commence and be completed in Q1 2025.
- The Company has signed a letter of intent for a long-term capacity agreement which will enable Shearwater to hire vessel capacity from Argeo for Shearwater's ocean bottom node ("**OBN**") operations, as part of the Strategic Alliance (as defined below).
- The Company signed a letter of intent for an agreement for the purchase of two Hugin Superior AUVs and one Hugin 6000 or another Hugin Superior AUV, of which the first two were delivered on 9 November 2023 and in March 2024, respectively, and the last one is optional for Q1 2025.

  The Company has signed a 5-year bareboat contract for vessel Argeo Searcher, with an option to purchase the vessel. On 1 November 2023, the Company entered into an addendum to the bareboat contract, which involves a new contract period of 5-year from and including 1 January 2024.

Should any of the above-mentioned contracts, or any other important contract to be entered into, be terminated, not renewed, or not successfully completed for any reason, it could negatively impact the Group's backlog. A reduction in the backlog would result in a loss of anticipated future revenues, which could have significant consequences for the Group's financial condition, results of operations, and cash flow. Such disruptions could also lead to increased operational costs, as the Group may need to secure alternative partners or renegotiate terms, causing delays and additional expenses. Furthermore, the loss or disruption of these contracts could damage the Group's reputation, making it more difficult to secure new contracts or maintain existing customer relationships. These factors could impair the Group's ability to achieve its strategic objectives, weaken its competitive position in the market, and negatively affect its business, results of operations, cash flow, and prospects.

2.1.2 *The Group is exposed to risks relating to the quality of products and services*

The Group is reliant on its ability to develop and deliver products and services of a certain quality. The Group's business model centers around active participation in projects that require advanced technologies, such as underwater inspections using Autonomous Underwater Vehicles ("**AUVs**") and Unmanned Surface Vehicles ("**USVs**"). Customer expectations may vary from the specific projects and offerings provided. Any performance deviations during critical operations, such as inaccurate data collection or imaging errors during underwater inspections with AUVs, could lead to customer dissatisfaction and potential contractual disputes. If the quality of the services offered by the Group deteriorates, including timing of delivery and availability of services, whether due to a mistake by the Group or a third party, the Group's reputation and business results could be damaged. Failure to meet customer demands and expectations, including but not limited to, precision, reliability, and accuracy in product and service delivery could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.3 *The Group may not be awarded projects tendered or bid for on terms that are not favourable to the Group or at all*

The Group's business model is partly based on participation in various projects with short to medium duration, with start-up of a project often taking place shortly after the award date. Unlike companies that have greater clarity on contracts due to longer projects, the Group faces particular exposure to the risk of not consistently securing new projects because of its limited contract visibility. Currently, several projects, including those in Nigeria, Trinidad, USA and Brazil, as well as potential opportunities in Surinam, Namibia, Guyana and South-Africa, are still in a bidding or planning phase and thus have not yet been awarded. Even if the Group believes it is developing and offering bids on competitive terms, there remains a significant risk that these projects may not be awarded to the Group, meaning that such potential projects risk not being materialized into profitable and revenue generating contracts. This uncertainty arises from the competitive nature of the bidding process, where other bidders may present more attractive proposals or changes in project requirements may favour competitors. As a result, the Group could miss out on key business opportunities, which could adversely affect its revenue and growth potential. In the hypothetical scenario that the Group should struggle or fail to be awarded favourable projects for a prolonged period of time, the Group may have to accept terms that are not favourable and/or in line with the Group's strategy. If projects are not awarded to the Group or are granted under unfavourable terms, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows, and overall prospects.

2.1.4 *The Group is exposed to risks relating to harsh weather conditions*

The Group's offshore operations, especially in the North Sea during winter season, are significantly exposed to risks posed by harsh weather conditions, such as high winds, rough seas, and storms, which can adversely affect the Group's ability to conduct its operations efficiently and safely. Harsh weather can lead to operational delays and interruptions, posing health and safety risks to those involved in the Group's operations and potentially leading to injuries and accidents. The Group could also potentially be held liable for injuries and accidents involving its own employees or the employees of its contractors during operations in harsh weather conditions. Furthermore, such conditions may necessitate the suspension or postponement of the deployment and retrieval of AUVs and vessels to ensure the safety of personnel and equipment, which in turn can result in operational inefficiencies, increased costs and potential project delays. In addition, the Group's equipment, including AUVs and vessels, is vulnerable to damage from extreme weather. Prolonged exposure to harsh environmental conditions can lead to costly repairs or replacements and downtime that can affect project timelines and profitability. Furthermore, adverse weather conditions can increase the risk of accidents and injuries to the Group's personnel during offshore operations, requiring additional safety measures and resources. The quality and accuracy of the data collected by the Group's AUVs and sensor technology may be compromised by turbulent water conditions and limited visibility caused by severe weather. This can affect the integrity of the information provided to clients, potentially impacting the Group's reputation. Cost overruns, missed project deadlines, and reduced profitability caused by operational delays, equipment damage, increased safety measures, and compromised data quality may have an adverse effect on the Group's financial performance and position.

2.1.5 *The Group is exposed to fluctuations in oil and gas prices and fuel price fluctuations*

Given that a significant portion of the Group's business involves inspection, maintenance, and survey services in the oil and gas industry, the Group is also exposed to fluctuations in oil and gas prices. Additionally, the operation of vessels requires substantial fuel expenditures, making the Group vulnerable to fluctuations in fuel prices. For instance, the increased fuel prices seen in e.g. 2023 led to increased fuel expenses for the Group. Typically, only a portion of the variation of the fuel prices can normally be contractually charged to or negotiated with the client. Since the Group does not currently hedge against such exposure, sudden and/or significant changes in fuel prices could significantly affect fuel and other costs for the Group. Consequently, additional costs relating to fuel prices may lead to reduced profit margins for the Group.

2.1.6 *Risks related to the dependence on exploration and energy market conditions*

The Group depends on ongoing levels of capital spending, particularly for purchasing its products and services in the offshore installations, renewables, and marine markets ("**DSM**"). A significant portion of the Group's current and expected revenues, based on its existing backlog, is derived from the oil and gas sector, specifically the exploration, development, and production ("**E&P**") market. Both markets are heavily influenced by the overall conditions of the global energy markets.

Factors beyond the Group's control, such as global economic conditions, energy prices, and geopolitical events, can significantly impact demand for the services and technologies offered by the Group. For instance, the global E&P and energy markets can experience significant price volatility due to factors like changes in global oil and gas prices, supply and demand imbalances, and geopolitical tensions. This volatility can affect the Group's customers' exploration budgets and, consequently, their demand for the Group's services and technologies. Furthermore, the Group's reliance on energy prices could also impact its future ability to pay dividends. Furthermore, global economic conditions, such as economic downturns, recessions or financial crises, or the overall cyclic nature of the seismic and node industry, could lead to reduced capital spending by the Group's customers and a reduced demand for the Group's services, which in turn may have an adverse impact on the Group's performance, prospects, business and financial condition.

2.1.7 *The Group is exposed to risks relating to subcontractors and other partners*

The Group is dependent on the performance by its subcontractors and other partners of their contractual obligations in terms of quality and delivery time and compliance with guidelines and industry standards. Beyond strategic alliances like the one described in Section 2.1.8 "*Risk associated with the strategic alliance with Shearwater and the integration of Argeo Venture*," the Group engages and collaborates on numerous projects with partners in different operating jurisdictions, such as India, Namibia and USA. There is a risk that such partners may not fulfil their commitments on time, within budgeted costs, or at the expected quality level. The Group is also dependent on timely and high-quality deliveries from its subcontractors. An illustrative example of this can be seen in its geophysical survey projects, where the Group relies on subcontractors to provide specialized services such as seismic data acquisition or processing. Delays or inaccuracies from subcontractors can disrupt project schedules and impact survey quality.

If the Group fails in its assessment and evaluation of such parties and it proves that they are, to a significant extent, unable to maintain the quality level which the Group expects, they do not have well-functioning environmental and safety work, or that there are no collective bargaining agreements in place between such parties and their employees, this could have a material adverse effect on the Group’s business, results of operations, financial condition, cash flows and/or prospects. If the Group is forced to replace or commence cooperation with a new supplier, this could also lead to significant costs and work in evaluating and approving a new party, and that it may be difficult for the Group to purchase corresponding products or services within reasonable time or at acceptable costs. If these risks materialize, it could have a material adverse effect on the Group’s business, results of operations, financial condition, cash flows and/or prospects.

2.1.8 *Risk associated with the strategic partnership with Shearwater and the integration of Argeo Venture*

As announced by the Company on 27 September 2023, the Company has entered into a strategic alliance with Shearwater with an aim to transform subsea and ocean bottom seismic markets (the "**Strategic Alliance**"), including purchase of the seismic vessel Argeo Venture (formerly, SW Bell) ("**Argeo Venture**"). As part of the transaction, the Company has entered into a memorandum of agreement with Shearwater Geoservices Holding AS ("**Shearwater**", which term shall include any of its subsidiaries) for the purchase of Argeo Venture.

The Strategic Alliance is subject to a number of risks, such as risks relating to the Company's integration of Argeo Venture into its operations and the overall Strategic Alliance with Shearwater. For instance, the integration of the vessel into the Group's operations and the coordination of activities with Shearwater may be more complex and time-consuming than anticipated, and integration of Argeo Venture will require technical adjustments and modifications. Technical risks will always be present, and the technical operation of a vessel, including Argeo Venture, has a significant impact on the vessels' economic life. There can be no guarantee that the parties tasked with operating the Argeo Venture or overseeing such operation perform their duties according to operating agreements or satisfaction. Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses of the Group. Furthermore, delays, disruptions, and difficulties in aligning processes and systems between the Group and Shearwater could adversely affect the operations and financial performance of the Group. The Group's ability to realize the anticipated benefits of the strategic partnership is contingent on the continued cooperation and alignment of interests between the parties, as well as on the performance, financial stability, and integrity of Shearwater. Any adverse developments related to Shearwater, such as operational issues, legal disputes or changes in their strategic direction, could have a material impact on the overall success of the partnership.

2.1.9 *The Group may be unable to attract and retain key management personnel and other employees*

As follows from the Group's business plan set out in Section 8.3 "*Strategy and objectives*", the Group intends to scale and expand its business. To accomplish this, the Group will need to expand their workforce. Furthermore, the Group’s success is currently, and will in the future, to a significant extent be dependent upon the abilities and efforts of the Company's small executive management team, including the founders of the Company the CEO, CFO and CTO, and its ability to retain key members of its management, including recruiting in accordance with its business plan, retaining and developing skilled personnel for its business.

The demand for personnel with the capabilities and experience required within the offshore supply-and service industry is high, and success in attracting and retaining such employees, including the initial founders, is not guaranteed. There is intense competition for skilled personnel and there are, and may continue to be, shortages in the availability of appropriately skilled people at all levels. Shortages of qualified personnel with industry experience in executive management (e.g. within the realm of strategy, operations, commercials and tendering), the Group's inability to obtain and retain qualified personnel or any unsuccessful employments as part of the Group's expansion and scaling (e.g. within ship management and crewing, maritime and subsea operations, and within engineering, procurement and development), could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.10 *The Group may not have sufficient insurance coverage*

Although the Group has insurance coverage regarded as market standard, concerning protection and indemnity ("**P&I**") insurance for its vessels, its assets (e.g. its underwater vehicles) and certain general liability insurances, the Group may not be able to maintain sufficient insurance to cover all other risks related to its operations. For instance, the vessels have insurance coverage amounting to USD 1 billion for oil spills and USD 3 billion for personal injury under the P&I insurance. However, if damages exceed these limits, the Group may be exposed to significant financial liability beyond the coverage provided. The Group's business is subject to a number of risks and hazards, including, but not limited to damages to property and equipment, labour disputes and changes in the regulatory environment. Such occurrences could result in monetary losses and possible legal liability. Although the Group seeks to maintain insurance or contractual coverage to protect against certain risks to the extent as it considers reasonable, its insurance may not cover all the potential risks associated with the Group's operations. The materialization of risks that the Group does not have sufficient insurance coverage for could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.11 *Risks related to technology and know-how*

Technology and know-how is an important aspect of the Group's daily business which it is in possession of through agreements with various business partners (see Section 8.8 "*Patents, contracts, licenses, etc*."). The importance of third-party suppliers for technical production equipment to the Group, as well as the need for effective maintenance routines for its production facilities, makes it vulnerable to various risks. Specifically, the Group faces risks related to errors in technology, such as software malfunctions or equipment breakdowns. Additionally, the potential loss of critical know-how, whether due to personnel turnover, inadequate knowledge transfer, or failures in documentation, can severely impact operational effectiveness. Moreover, supply chain risks, such as delays, equipment failures, or supplier insolvencies, pose significant challenges. If the Group is unable to effectively leverage its know-how to navigate these issues, it could lead to production delays, increased operational costs, and potential quality control problems for the Group. Such errors and failures could also compromise the Group's ability to meet customer demands and expectations, resulting in lost revenue and reputational damage.

The Group has applied for patent approvals and secured patents for technology it has invented, representing significant resources in its product and service portfolio. However, such investments in technology and know-how may not translate into profitable business outcomes, or the Group may be too slow or less successful than its industry peers. There is also a risk that the Company's applications to patent its technology may not be approved. The Group may further not be successful in developing a portfolio of technologically advanced products, services and solutions within the expected timeframe or at all, or at a cost point and/or with functionality and features that will allow such new developments by the Group to be competitive when compared to similar products, services and solutions available in the market. Even if the Group succeeds in developing innovative technologies, its competitors may be able to commercialize similar technologies faster or more successfully than the Group.

Moreover, the extent of the Group's intellectual property rights may vary in different countries, and filing, prosecuting, maintaining and defending the Group's intellectual property rights, throughout the world could be highly expensive. Consequently, the Group may be unable to prevent third parties from using its inventions in certain countries, especially in jurisdictions that have no or little protection of intellectual property rights, or in jurisdictions where enforcement may be difficult. Competitors could potentially also use the Group's technology in jurisdictions where the Group has not obtained intellectual property rights protection. In particular, proceedings to enforce the Group's intellectual property rights could result in substantial costs and divert the Group's efforts and attention from other aspects of its business.

There is also a risk that third parties may claim that the Group does not have rights or exclusive rights to the intellectual property it currently uses or will use in the future (including the patent which the Company is in the process of applying for). The Group may as a consequence of this be a party to litigation to determine the scope and validity of its intellectual property, which, if resolved adversely to the Group, could invalidate or render unenforceable its intellectual property or generally preclude the Group from using such intellectual property, or the Group could be forced to pay substantial royalties. A successful claim of infringement against the Group, or its failure or inability to develop non-infringing technology or license the infringed technology could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.12 *The Group may not be able to respond to rapid technological changes or develop new services in a competitive market within its key segments*

The geophysics and technology market within the oil and gas, renewable energy and marine minerals segments is competitive and characterized by rapid technological change and frequent new product and service introductions. The Group's future profitability depends heavily on its ability to enhance and improve its products and services and introduce new products and services.

For example, as part of the Strategic Alliance, the Group may lease out ships and equipment within a highly competitive sector for OBN seismic services. This sector is characterized by intense competition, with several established companies and new entrants vying for market share. Competitors may include larger, well-funded companies with substantial resources, as well as smaller niche players. The competitive landscape may result in pricing pressures, reducing the Group's ability to maintain or increase service rates. Rapid advancements in technology and methodologies for OBN seismic data acquisition and processing may result in new competitors entering the market or existing competitors gaining a technological edge.

There is a risk that the Group will not be able to keep pace with technological advancements of the aforementioned markets it operates in, including with respect to any attempts on enhancing its products and services to the extent such will be compelling to customers or gaining market acceptance in a timely and cost-effective manner. Any delays or competitors' introduction of competitive products, services and/or technologies could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.13 *The Group is exposed to risks relating to volatile, negative, or uncertain economic or political conditions, including the ongoing war in Ukraine and Israel/Gaza*

Global macroeconomic conditions affect the Group's customers' businesses, which may have a consequential effect on their spending and demand for the Group's products and services. Economic volatility and uncertainty are particularly challenging because many of the projects the Group undertakes for customers require investments by them, which customers are less willing to make in uncertain economic conditions. The current ongoing military war in Ukraine and instability in the Middle East, including the Israel-Gaza war, are highly unpredictable events, and have led to, and may continue to lead to, significant market and other disruptions, such as economic conditions, financial markets, supply chain interruptions, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage. For instance, the war in Ukraine has led to disruptions in energy supplies and increased geopolitical risks, affecting industries reliant on energy and critical infrastructure. Such volatile, negative or uncertain economic conditions in the Group's customers' markets, have undermined, and could in the future undermine, business confidence and cause the Group's customers to reduce or defer their spending on new initiatives and technologies, or may result in customers reducing, delaying or eliminating spending under existing contracts with the Group or putting pressure on the Group's pricing.

In addition, international, national, or local political volatility could in the future negatively impact, the Group and its employees. Volatile, negative, or uncertain economic or political conditions may adversely impact the Group's customers or the Group's employees and could therefore have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.14 *The Group is exposed to risk related to cyber-threats*

As a technology group that uses highly specialized unmanned AUVs and USVs, as well as land-based surveying products and solutions, the Group and its customers are subject to cyber-attacks from cybercriminals. Rapid changes in attack vectors makes it difficult to stop attacks and adapt to new threats and the increased social hacking creates a cyber-threat risk for the Group. The Group must comply with severe contractual security obligations, including maintaining network and system security, providing security patching, antivirus and malware detection and prevention services and intrusion detection and prevention as well as ensuring the credentials of those employees who work with the Group's customers. The Group uses information technology systems and networks to store data about customers and employees. Information technology security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorised disclosure of confidential information or data, including personal data. The Group may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. The theft or unauthorized use of confidential or proprietary information, including privacy-related obligations and third-party data, poses serious risks. If there is a security breach that leads to the unauthorized release or misuse of personally identifiable information or customer data, it could negatively impact the Group's competitive position and reputation. This may result in reduced acceptance of the Group's products, services, and solutions in the market. If the Group is unable to effectively protect information about customers and employees or its products and services from cyber-threats or, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.2 Risks related to laws and regulations

2.2.1 *The Group is exposed to risk associated with international operations, including compliance with international laws and regulations*

As outlined in Section 8.4 "*Business operations and principal activities*", the Group operates internationally and has established several subsidiaries in foreign jurisdictions, such as Brazil, Singapore, United Kingdom and USA. Additionally, as described in Section 11 "*Operating and financial review*", the majority of the Group’s revenues is expected to originate from jurisdictions outside of Norway. Given the Group's international presence, its operations are exposed to inherent risks associated with international business, such as compliance with the laws and regulations of various jurisdictions, sanctions laws and regulations, overlapping differing tax structures, challenges related to managing an organization spread across multiple countries, unexpected changes in regulatory requirements, compliance with various local laws and regulations, and longer accounts receivable payment cycles in certain countries. The risks are expected to be more inherent with respect to e.g. Brazil, being a high-risk jurisdiction with more volatility in terms of legal and regulatory frameworks.

In particular, the Group's international operations are subject to international anti-corruption laws and regulations, including in the EU. These anti-corruption laws and regulations are comprehensive and, in some cases in differing ways, cover many forms of public and private corruption. As part of its business, the Group may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials and other relevant anti-bribery laws and regulations. Economic sanctions programs restrict the Group's business dealing with certain sanctioned countries, such as Nigeria, Brazil, Trinidad and India, and new sanctions programs may be imposed, or existing sanctions programs revised in unpredictable ways, depending on circumstances outside of the Group's control, any of which may have an adverse effect on the Group's business operations.

The Group is also exposed to the risk of violating anti-corruption laws and sanctions regulations applicable in those countries in which it operates. This could inter alia include legal entities within the Group being located in certain countries with significantly lower score than the Scandinavian countries in the Corruption Perceptions Index ("**CPI**"). For instance, the Company's subsidiary Argeo Do Brazil LTDA is situated in Brazil, a country recognised for its serious corruption issues according to the CPI. Furthermore, in 2023, the Group secured a contract for deep-water inspection services in the Bonga field in Nigeria, a country with one of the lowest CPI scores. Moreover, the Group had customers in Brazil and various different countries during 2023 and year-to-date in 2024, again some of which has a significantly lower score than the Scandinavian countries in the Corruption Perceptions Index, where the perceived risk of corrupt practices is higher. It is the Company's view that the geographical presence of the Group's operations and customers, together with the Group's continued expansion of its business operations and development of relationships with third parties worldwide, increases the risk of the Group being linked with violation of anti-corruption laws, sanctions regulations or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. As such, any corrupt practices of third parties, the Group, anyone working for the Group or being affiliated with it, or allegations of such practices directed towards the aforementioned persons, could have a significant negative impact on the Group's reputation. This loss of confidence can negatively impact its ability to win future business and consequently, negatively impact business results, leading to decreased sales and loss of market share. In recent years, enforcement of these laws, including for anti-corruption and anti-money laundering and regulations has become more stringent, resulting in several landmark fines and severe reputational damage.

Given the Group's geographical presence in a number of various jurisdiction and the meaningful volume of customers that contract with the Group, including in jurisdictions with increased risk of corrupt practices, the risk of not complying with laws and regulations in the jurisdictions in with the Group operates is perceived as being of material and specific importance for the Group, especially with respect to anti-corruption laws and regulations. The increasing enforcement and prosecution by authorities in these regions further heightens the risk of non-compliance. Failure to comply with these laws could result in public scrutiny, legal prosecution, penalties, fines, suspension of business licenses, loss of key contracts, restricted market access, exclusion from public tenders, reputational damage, and other sanctions, which in turn could severely impact the Group’s business, prospects, operational results, cash flows, financial position, and overall market competitiveness.

2.2.2 *The Group is exposed to risks relating to failure to comply with applicable tax legislation*

The Group is subject to prevailing tax legislation, treaties and regulations in every jurisdiction in which it is operating, such as Nigeria, Trinidad, Namibia and USA, and the interpretation and enforcement thereof. The Group’s income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If the Group’s interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group’s business, results of operations, financial condition, cash flows and/or prospects. As noted earlier, some of these regions have more unstable and unpredictable legal and regulatory systems, leading to a higher risk of non-compliance.

If any tax authority successfully challenges the Group’s operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if taxing authorities do not agree with the Group’s and/or any subsidiaries' assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group’s tax payments is successful, the Group’s effective tax rate on its earnings could increase substantially, which could have a material adverse effect on the Group’s business, results of operations, financial condition, cash flows and/or prospects.

2.2.3 *Risks related to intellectual property and patent claims*

The Group's patents have been developed in-house by the Group's employees. Under Norwegian law (Nw.: *Arbeidstakeroppfinnerloven*), employees who contribute to patentable inventions may have the right to compensation, even if the patents are not deemed critical to the business. As of the date of this Prospectus, these inventors have not received direct compensation relating to their work on the patents. Although no claims have been made, there is a risk that the Group will receive future compensation claims if the patents were to succeed commercially. Furthermore, the Group has three unregistered products: (i) Argeo Listen, (ii) Argeo Whisper and (iii) Argeo Scope, and certain of these have been partially developed by external consultants. Although the Group has entered into consulting agreements with the respective consultants, such agreements could be interpreted as being unclear regarding transfer and/or modification rights, which hypothetically could restrict the Group's use of the software. If the Group faces claims related to intellectual property or patent rights, it could negatively harm the Group by incurring significant legal costs, diverting management attention from core business operations, and potentially damaging its reputation and market position.

2.2.4 *The Group may be exposed to product liability and warranty claims*

The Group's sale of services and/or products poses the potential and inherent risk for warranty claims and, albeit to a lesser extent, product liability. In addition, the Group also relies on its customers and other third parties to use its products according to the products design. Although the Group seeks to reduce inherent exposure to product liability and warranty claims by including liability limitation language in its contracts, including specific language by disclaiming the giving of any warranty or guarantee, expressed or implied, with respect to its products, the Group may nonetheless be subject to liability and claims as part of its business which also consist of large projects with significant contract values. Moreover, the Company believes that the Group's insurance coverage for product liability is adequate and consistent with industry standard, there is a risk that the amount of such insurance will not be sufficient to satisfy claims made against the Group in the future. This risk increases if the Group faces unusually large or unexpected warranty claims, a high volume of claims within a short period, or if coverage is limited, such as in cases of gross negligence or misconduct, product liability or warranty claims could result in significant litigation costs, and a successful claim brought against the Group in excess of available insurance coverage, or any claim that results in significantly adverse publicity, could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.2.5 *The Group is subject to risks relating to changes in laws, regulations and is dependent on permits and approvals to operate*

The Group is subject to a variety of national and international laws and regulations in relation to its offshore operations, including with respect to its AUVs and USV. Any breach of laws can be costly and expose the Group to liability and could limit its options. Furthermore, the Group is required to obtain certain permits and approvals from governmental authorities in connection with development projects. The Group's dependency on such permits and approvals represents considerable risks and if the Group does not obtain the necessary permits and approvals that it requires to operate its business, it may have a material adverse effect on the Group's business, operations and financial results. The regulatory framework governing offshore activities, especially in deeper waters, is still evolving. Many areas are either not clearly regulated or lack specific regulation. In several regions, the regulatory and fiscal frameworks remain in development. Failure to obtain the necessary permits and approvals could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.2.6 *The Group is exposed to risk relating to data protection and data privacy regulations, etc.*

The Group collects and processes personal data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance. The main regulations applicable to the Group are the GDPR in the EEA and local data protection laws such as the Norwegian Data Protection Act of 2018.

As of today, the Group may not be fully compliant with GDPR, but has implemented measures to strive for compliance going forward. Any failure to implement appropriate technical and organizational measures to comply with the data protection legislation privacy-related obligations to customers or third parties, privacy-related legal obligations, or any personal data breaches such as unauthorised releases that result in an unauthorised release, transfer or use of personally identifiable information or other customer data, may result in administrative fines and governmental enforcement actions, litigation or public statements against the Group. In addition to legal sanctions, any such failure could represent a reputational risk with regard to customers and vendors losing their trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of the Group's products at risk and could in turn have an adverse effect on the Group's business. Any significant change to applicable laws, regulations or industry practices regarding the processing of personal data could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to process user data or develop new services and features.

2.3 Financial risks

2.3.1 *In order to execute the Group's growth strategy, the Group may require additional capital in the future, which may not be available*

The Group is dependent on securing adequate financing for its operations and business. Although the Group aims to spend cash at hand from its revenue generation, there can be no guarantees that such will be sufficient to finance its operations and expansion. The Company has raised equity capital several times since its initial listing on Euronext Growth Oslo, including on 19 March 2024, 19 October 2023, 29 June 2023, 8 April 2022, 20 December 2022 and 20 April 2021, illustrating that its business is capital sensitive. To the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through debt or additional equity financings to execute the Group's growth strategy and to fund capital expenditures going forward. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If funding is insufficient at any time in the future, the Group may be unable to fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.3.2 *The Group is exposed to credit and liquidity risks*

The Group's current and potential customers and other counterparties may be unable or unwilling to fulfil their financial obligations to the Group. The reason may be a financial situation where the counterparty cannot pay the agreed fees or other amounts owed to the Group as they fall due or otherwise abstain from fulfilling their obligations. The credit risk is assumed to be higher for certain "high-risk" jurisdictions such as Nigeria, Brazil, Trinidad and India, where the Company operates. To mitigate this risk, the Group may conduct credit reviews of new customer and, to some extent, also of existing customers. However, should the Group's customers be unable or unwilling to pay agreed fees, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.3.3 *The Group is exposed to foreign currency exchange risk*

Currency exposure is the result of purchases of goods and services in other currencies than the Group's functional currency (transaction exposure) and of the conversion of the balance sheets and income statements in foreign currencies into USD (translation exposure).

The Group's products and services are offered globally, and the Company's operating expenses is mainly nominated in the currencies NOK, USD, EUR and GBP. As a result, the Group is exposed to the risks that the foreign currencies may appreciate or depreciate relative to these currencies, which could have a material adverse effect on the Group's results of operations, financial position and/or cash flows.

Furthermore, the Group prepares its financial statements in USD. Because the Group reports financial results in USD, the Group faces a currency risk to the extent that assets, liabilities, revenues and expenses can be denominated in currencies other than USD. For instance, the NOK/USD exchange rate decreased from 10.8011 at the end of Q1 2024 to 10.646 at the end of Q2 2024, resulting in a currency loss of USD 714k for the Group. In order to prepare the Group's financial statements, the Group translates the values of these assets, liabilities, revenues and expenses into USD at the applicable exchange rates. Future variations in the exchange rate could therefore have an impact on the Group's reported financial results.

Currency risks may also arise when Group companies enter into transactions that are denominated in currencies other than their functional currency. The Group itself is also invoiced in other currencies than its functional currency, thus resulting in currency exposure from both a customer and supplier position. Such translation exposure does not give rise to an immediate cash effect. Additionally, changes in exchange rates can affect the Group's customers and suppliers, and for instance result in a reduction of customers' willingness to pay or increase suppliers' costs, and as such indirectly affect the Group's profitability.

2.3.4 *Future debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities*

The Group may incur additional indebtedness in the future, including as an alternative to equity financing, which is increasingly likely as the Group currently is generating more revenue through its contracts from a historical perspective. This level of debt could have important consequences for the Group, including the following:

- the Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may be unavailable on favourable terms;
- the Group's costs of borrowing could increase as it becomes more leveraged;
- the Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends

to its shareholders;

- the Group’s debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- the Group’s debt level may limit its flexibility in responding to changing business and economic conditions.

Currently, the Group has three loans from Innovation Norway, which are secured by certain machinery and plant assets, trade receivables and a parent guarantee from the Company (see Section 11.7.7 "*Financial arrangements*" for further information). These loans carry floating interest rates of 8.20%, with the possibility of rate adjustments by Innovation Norway with six weeks' notice, introducing additional variability and risk to the Group’s financial obligations. The Group's ability to service these loans, and any future debt, will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group’s operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all.

2.3.5 *Risks relating to sale-and-leaseback structure*

The Group has entered into a sale-and-leaseback agreement regarding its vessel Argeo Venture. The Company's ability to service its debt obligations thereunder depends on, inter alia, its future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond its control. If the Company's operating results are not sufficient to service its current or future indebtedness, the Company will be forced to take actions such as reducing distributions, reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt, or seeking additional equity capital or bankruptcy protection. In addition, there is no guarantee that the Company is able to refinance the current sale-and-leaseback financing on satisfactory terms at maturity (including in the case of the underlying put options from the owners are utilized), which in case may materially adversely affect the Company's business, financial conditions and/or assets.

2.4 Risk factors related to the Shares and the Listing

2.4.1 *Future issuances of Shares or other securities, including through exercise of warrants and options, in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares*

As described in Section 2.3.1 "*In order to execute the Group's growth strategy, the Group may require additional capital in the future, which may not be available*", the Company's business is likely to require additional capital in the future and, depending on the structure of any such future issuance of new shares, certain existing Shareholders may not always have the ability, or be given the opportunity, to participate in such equity offering. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

It is possible that the Company may decide to offer new Shares or other securities to finance new capital-intensive investments in the future, in connection with unanticipated liabilities or expenses, or for any other purposes such as implementation of incentive schemes. The Company has outstanding warrants and options which, if exercised in full and simultaneously, will have a significant dilutive effect on the Company's shareholders. Any such offering or issuance of equity linked securities could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering or issuance of shares by the Company could have a material adverse effect on the market price of the Shares.

As further described in Section 12.6 "*Financial instruments, including as part of incentive programs*", the Company has financial instruments outstanding in the form of options and warrants, i.e. the 2021 Options (as defined below), 2024 Options (as defined below), Tranche 1 Warrants (as defined below) and Tranche 2 Warrants (as defined below), which, if and when exercised, will have a dilutive effect on the Company's shareholders. In the hypothetical scenario that all financial instruments are exercised simultaneously, this would have a dilutive effect of approx. 3.7% on the Company's shareholders, based on the current number of outstanding shares in the Company.

2.4.2 *The Company may be unwilling or unable to pay dividends or make distributions*

The Company has not paid any dividends and there is a risk that it will not pay dividends in the immediate or foreseeable future. The future payment of dividends on Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board of Directors may consider appropriate in the circumstances. The Company may choose not, or may be unable, to pay dividends or make distributions in future years.

Furthermore, the amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial condition and capital requirements, the ability of the Company's subsidiary to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared by Argeo ASA, with business address Nye Vakås vei 14, 1395 Hvalstad, Asker, Norway, solely in connection with the Listing of the Shares on Oslo Børs described herein.

The Board of Directors of Argeo ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import.

23 October 2024

The Board of Directors of Argeo ASA

Jan Pihl Grimnes
Chair

Peter Allan Hooper
Board member

Nina Bjærum
Board member

Inger Berg Ørstavik
Board member

Lars Petter Ottem Utseth
Board member

Liam Flood
Board member,
employee representative

Hugo Lima Santos
Board member,
employee representative

4 GENERAL INFORMATION

4.1 Other important information

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Shares, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus. The Managers makes no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implies, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 *"Risk factors"*.

4.2 Presentation of financial and other information

4.2.1 *Financial information*

In 2024, the Company decided to convert its financial reporting from Norwegian Generally Accepted Accounting Principles ("**NGAAP**") to International Financial Reporting Standards, as adopted by the EU ("**IFRS**"), as adopted by the EU ("**IFRS**"). Accordingly, the Company has prepared audited annual consolidated financial statements for the financial years 31 December 2023, 2022 and 2021 in accordance with IFRS (the **"Annual Financial Statements"**). Furthermore, the Company has prepared unaudited consolidated financial statements for the six-month period ended 30 June 2024 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**") in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU ("**IAS 34**").

The Annual Financial Statements which are included as Appendix B to this Prospectus, were audited by RSM Norge AS ("**RSM**"). The Interim Financial Statements, included as Appendix C to this Prospectus, have been subject to a limited scope audit by RSM.

The auditor's report does not contain any modifications of emphasis on matters.

Other than set out above, RSM has not audited, reviewed or produced any report or any other information provided in this Prospectus.

4.2.2 *Presentation currency, functional currency and foreign currency*

In this Prospectus, all references to "**NOK**" are the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States of America, all references to "**BRL**" are to the lawful currency of Brazil, all references to "**GBP**" are to the lawful currency of the United Kingdom, and all references to "**EUR**" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency.

Argeo ASA has Norwegian krone (NOK) as its functional currency and its subsidiaries have NOK, USD, GBP or Brazilian real (BRL) as their functional currencies. From 1 January 2023 the functional currency of Argeo Survey AS is assessed to be USD based on an assessment of the currency of the primary economic environment in which it operates (NOK prior to 2023). For presentation purposes, items in the statement of financial position are translated from functional currency to presentation currency (USD) by using exchange rates at the reporting date. Items within the statement of comprehensive income are translated from functional currency to presentation currency by applying yearly average exchange rates. The resulting translation differences are recognised in other comprehensive income.

4.2.3 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 *Alternative performance measures*

In order to enhance investors' understanding of the Group's performance, the Group presents certain measures and ratios in this Prospectus that might be considered as alternative performance measures ("**APM**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS. The Group uses APMs to measure operating performance and is of the view that the APMs provide investors relevant and specific operating figures which may enhance their understanding of the Group's performance.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider such measures to be alternatives to: (a) revenue or profit/loss for the period, as a measure of the Group's operating performance, or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are measures meant to be predictive of the Group's future results. The Group believes that the APMs presented herein are commonly reported by companies in the markets in which it operates and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortisation and impairment, which can vary significantly depending upon measures, business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods. Since companies may present APMs differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The following terms are used by the Group in the definition of APMs in this Prospectus:

Operating profit before depreciation (EBITDA): The Group's EBITDA is used to provide consistent information on the Group's operating performance relative to other companies, and is frequently used by analysts, investors and other stakeholders when evaluating the financial performance of the Group. EBITDA, as defined by the Group, includes total revenue and other income and excludes depreciation, amortisation and impairment loss. For a reconciliation of EBITDA, see Section 11.9 "*Alternative performance measures on reconciled basis*".

4.2.5 *Third-party information*[1]

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 7 *"Industry and Market Overview"* and Section 8 *"Business of the Group"* and other publicly available information. These include, but are not limited to, Rystad Energy, used to retrieve information about E&P spending levels and oil price developments[2], BP Energy, used to retrieve forecasts for energy sources and outlook for energy demand[3], IEA, used to retrieve outlook for year-over-year development in energy investments[4] and oil market report[5], OffshoreWIND.biz, used to retrieve information about spending on offshore wind developments. Sources behaind payement walls include Pareto Securities, where the Company referes to Pareto Securities' spending research report from March 2024, Rystad Energy UCube, used to retrieve information about E&P spending levels, and Ice Brent Crude oil front month, used to retrieve information about brent spot price[6].

While the Group has compiled, extracted and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Group may do in the future. Unless otherwise indicated

[1] OffshoreWind.biz, "UK Boosts Sixth CfD Auction Budget, Eararks GBP 1.1 Billion for Offshore Wind, published 31 July 2024, https://www.offshorewind.biz/2024/07/31/uk-boosts-sixth-cfd-auction-budget-earmarks-gbp-1-1-billion-for-offshore-wind/ (free source) (accesses: September 2024)

[2] Rystad Energy UCube, dated March 2023, Rystad Energy download (behind payment walls)

[3] BP Energy, "Energy demand", published 10 July 2024, available from: https://www.bp.com/en/global/corporate/energy-economics/energy-outlook/energy-demand.html) (Accessed: September 2024) and BP Energy "Outlook 2021", published November 2021, available from: Full report – Statistical Review of World Energy 2021 (bp.com, free source) (Accessed: September 2024)

[4] IEA "Annual investment in fossil fuels and clean energy, 2015-2023", last updated 20 Oct 2023, available from: https://www.iea.org/data-and-statistics/charts/annual-investment-in-fossil-fuels-and-clean-energy-2015-2023 (free source; accessed October 2024)

[5] IEA (May 2022) Oil Market Report. All rights reserved. Available from: https://www.iea.org/reports/oil-market-report-may-2022. (free source). (Accessed: September 2024)

[6] Ice Brent Crude oil front month, dated March 2023; Factset download (behind payment walls)

in the Prospectus, the basis for any statements regarding the Group's competitive position in the future is based on the Group's own assessment and knowledge of the potential market in which it operates.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "*Risk factors*" and elsewhere in this Prospectus.

Unless otherwise indicated in this Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which the Group operates.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “should”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus; Section 7 "*Industry and market overview*", Section 9 "*Capitalisation and indebtedness*", Section 10 "*Selected financial and other information*", and Section 11 "*Operating and financial review*", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, important factors that could cause those differences include, but are not limited to:

- the competitive nature of the business and industry the Group operates in and the competitive pressure and changes to the competitive environment in general, including changes in the demand and prices for the Group's products;
- implementation of the Group's strategies;
- earnings, cash flow, dividends and other expected financial results and conditions;
- failure by counterparties to meet their obligations;
- failure to attract, retain and motivate qualified personnel;

- legal proceedings;
- damage to the Group's reputation and business relationships;
- fluctuations of interest and exchange rates;
- changes in general economic and industry conditions, including changes to tax rates and regimes;
- political, governmental, social, legal and regulatory changes;
- access to funding; and
- operating costs and other expenses.

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "*Risk Factors*".

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE LISTING

The main reason for the Listing is to facilitate greater liquidity in the Shares, attract new prospective shareholders, and build a more diversified shareholder base. In the first half 2024, Argeo reported positive results and are now considered fully operational with a complete spread of vessels, AUVs and technology required to carry out its intended service offering. Hence, the Company is of the view that it is now entering the next phase of its growth strategy believes that an uplisting to the main list on Oslo Børs will enhance the Company's profile with investors and business partners. In addition, the Listing may improve the Company's access to capital markets, facilitating the financing of potential new growth opportunities with new, larger, and professional shareholders.

6 DIVIDEND AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal requirements set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 6.2 *"Legal constraints on the distribution of dividends"*) and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 6.2 "*Legal constraints on the distribution of dividends"*, further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 16 *"Norwegian Taxation"*.

The Company is focusing on the development of its products and services and has no current plans to pay dividend. The Company is however committed to creating long-term value for its shareholders and intends to distribute the majority of its future earnings as cash dividends, in addition to financing future growth with any remaining future earnings. The Company's dividend policy states that any proposal to authorize the Board to approve distribution of dividends will be explained. Additionally, general authorizations for the Board to increase the share capital or to buy the Company's own shares will normally be restricted to defined purposes and will, in general, be limited in time to the date of the next annual general meeting of the Company.

The Company has not paid any dividends on its Shares during the financial years ended 31 December 2023, 2022 and 2021.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealized gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount;

- the calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the general meeting of shareholders may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts;

- dividends may also be resolved by the general meeting of shareholders based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the general meeting's resolution; and

- dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Liability Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the registrar for the shares, being DNB Bank ASA, registrar's department (address: Dronning Eufemias gate 30, 0191 Oslo, Norway) as the Company's VPS registrar ("**VPS Registrar**"), and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the exchange rate of the relevant bank on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar.

7 INDUSTRY AND MARKET OVERVIEW

7.1 Market introduction

Argeo uses autonomous and underwater robotics solutions, including AUVs and work-class remotely operated vessels and remotely operated vehicles ("**ROVs**"), to conduct ocean surveys and inspections for the offshore energy industry globally. The AUVs and ROVs, deployed from surface vessels owned by the Group or third parties, collect data that is subsequently processed using Argeo's own data processing technologies to deliver final products to clients. These products can include:

- maps of seabed areas for assessing construction sites for offshore wind parks, new subsea installations for oil and gas, pipelines or cables;
- overviews of subsea cables and/or pipelines on or buried beneath the seabed;
- assessments of sub-seabed areas, for example, for the likelihood of finding marine minerals and similar applications.

Argeo focuses on using cost efficient offshore vessels equipped with embedded tools, such as AUVs or ROVs. The AUVs and ROVs are equipped with patented sensor technology and process the collected data using Argeo's patented ship-to-shore digital data management platform, Argeo SCOPE.

Over the last decades, the offshore service market has been highly cyclical, with activity driven by several factors, many of which applies to the entire energy industry. The key factors are listed below:

The key factors are listed below:

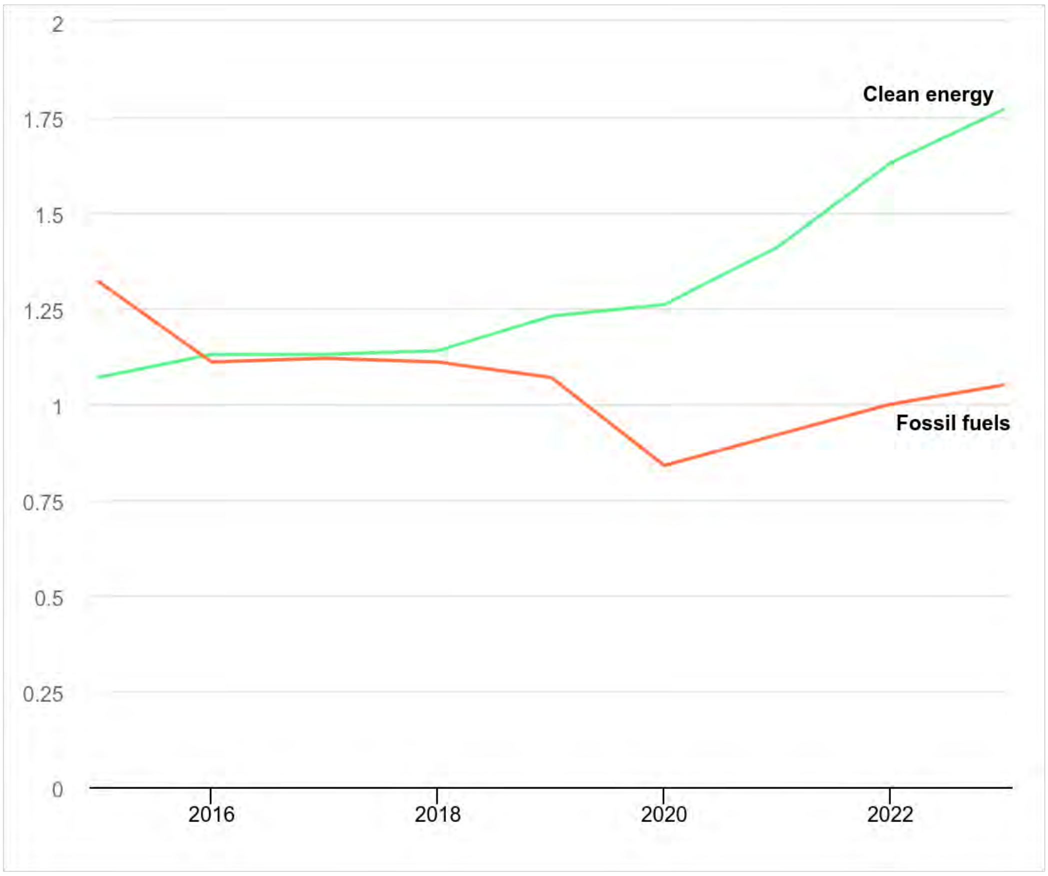
- **Economic growth:** Global economic activity is a key demand for energy, including offshore oil and gas and offshore wind, and indirectly marine minerals through its uses in electrical components and capital goods. The global economy experienced a downturn following the Covid-19 pandemic but has experienced a strong rebound and is now at higher levels compared to pre-covid levels. As a result of the pandemic, the market experienced sever supply chain shutdowns and travel restrictions affecting the overall demand for energy, which lead to lower activity and value creation in the offshore energy sector. The activity in the market is at strong levels and are expected to continue the positive trend in the coming years, backed by the International Energy Agency (the "**IEA**")[7] and BP's strong energy demand outlook for energy.[8]
- **Oil and gas prices and E&P spending:** Oil prices fell significantly in early 2020 as a consequence of the Covid-19 pandemic, combined with the OPEC+ group's temporary production increase, adding supply to a market experiencing a significant short-term demand reduction. As a result, oil prices dropped significantly with the Brent spot price[9] temporarily trading at approximately USD 20/bbl but recovered swiftly on the back of production cuts from OPEC and Russia, combined with a recovery in demand. Since then, the oil price has been steady increasing, with Brent currently trading between USD 75 and 80/bbl on the back of strong market fundamentals. The demand for offshore services is highly dependent on commodity prices coupled with spending programs of oil and gas companies. Within the Group's core markets, a fundamental factor in determining the level of activity is the level of offshore spending by E&P companies generally referred to as offshore E&P spending. Historically, the level of E&P spending by E&P companies has primarily been driven by current and expected future oil and natural gas prices. This correlation has been observed over the past decades, through the consistent rise in oil price and spending levels from early 2000's until the decline in oil prices during 2014, which caused a subsequent decline in spending levels globally until 2020. Following the trough in oil prices in 2020, spending levels have increased, and was estimated USD 184 billion for 2023[10.] Based on a survey conducted by contacting large E&P companies, Pareto Securities equity research estimates that the 2024 figure will reach USD 197 billion[11.]
- **Spending on offshore wind developments**: High spending for energy is mirrored in the market for offshore wind developments. While these have been negatively influenced by higher interest rates increasing the capital cost of new developments, the Company's view is that the underlying energy demand growth and governments actions, such as the UK increase in offshore wind developments by 50%[12], supports continued development of renewable energy

---

[7] IEA, "World Energy Outlook 2023". Available from: https://www.iea.org/reports/world-energy-outlook-2023/executive-summary (free source) (accessed: September 2024)
[8] BP Energy Outlook 2021 (November 2021, available from: Full report – Statistical Review of World Energy 2021 (bp.com, free source)
[9] Ice Brent Crude oil front month downloaded from Factset (dated March 2023) (subscription service, behind payment walls)
[10] Rystad Energy UCube, March 2023 Rystad Energy download (subscription service, behind payment walls)
[11] Pareto Securities E&P spending research report dated March 2024 (behind payment walls)
12 OffshoreWind.biz, "UK Boosts Sixth CfD Auction Budget, Eararks GBP 1.1 Billion for Offshore Wind, dated 31 July 2024, https://www.offshorewind.biz/2024/07/31/uk-boosts-sixth-cfd-auction-budget-earmarks-gbp-1-1-billion-for-offshore-wind/ (free source) (accessed: September 2024)

including offshore wind.

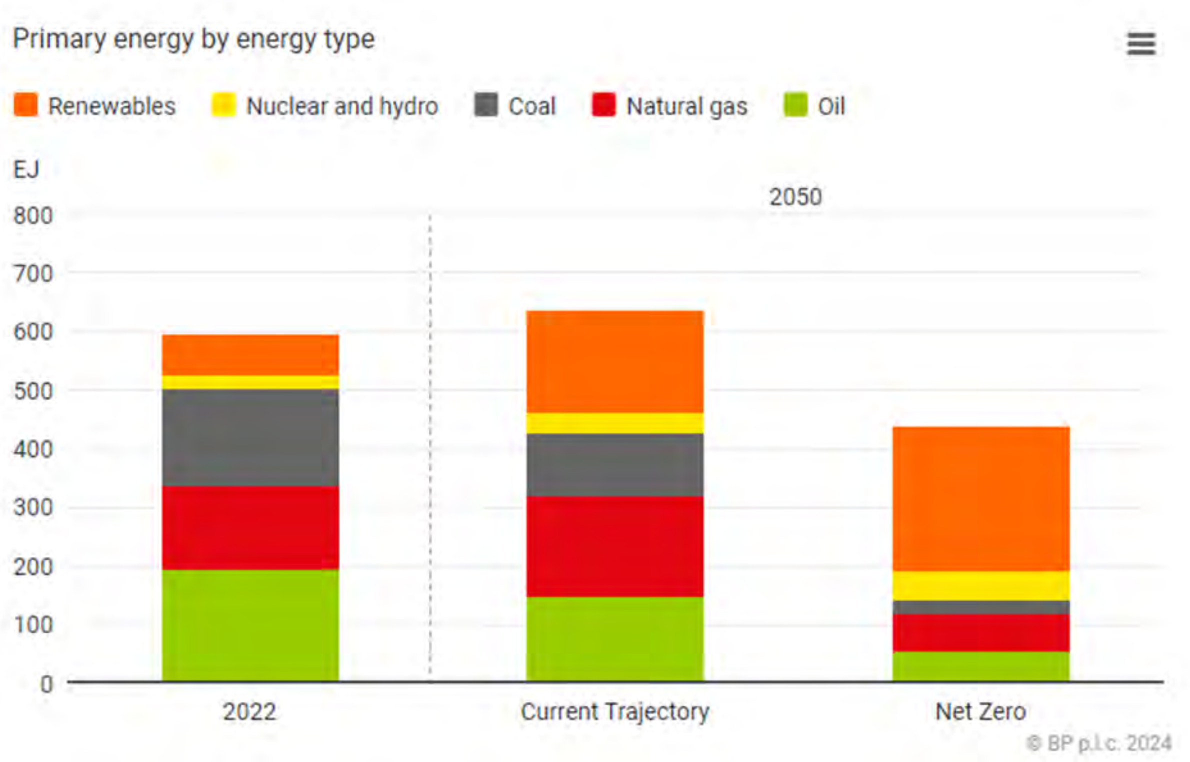
Figure 1: Year-over-year development in energy investments[13]



The International Energy Agency (IEA), in its "World Energy Outlook 2023", published estimates indicating that global energy investments (measured in constant USD terms) have increased significantly. As shown in Figure 1 above, the growth has primarily come from renewable (clean) energy, whereas investments in fossil fuels have remained at approximately the same levels in 2024 as those seen in the period 2016-2019, and are higher than the 2020-2022 levels.

13 https://www.iea.org/data-and-statistics/charts/annual-investment-in-fossil-fuels-and-clean-energy-2015-2023 (free source; accessed October 2024)

Figure 2: Forecast energy sources by main type



Source: BP Energy Outlook 2024 (https://www.bp.com/en/global/corporate/energy-economics/energy-outlook/energy-demand.html)

As shown in figure 2, BP Energy Outlook for 2024 expects that total energy demand is expected to increase and that oil and natural gas in the "Current Trajectory" scenario is expected to be flat until 2050, whereas renewables is expected to treble, at the expense of reduced coal demand. The report does not distinguish between onshore and offshore production, but it is the Company's view that the offshore portion will be positively influenced whereas coal, the energy source expected to decline, is only onshore. Trends impacting the Company's markets include:

- **Supply and demand for crude oil and natural gas:** Amid the rising global demand for energy, supply-side measures are crucial and anticipated. The Covid-19 pandemic caused a drop in energy consumption, resulting in an 8.8% decline in oil demand to 91.0 million barrels per day[14] and a 1.9%[15] drop in gas demand. However, the IEA predicts a gradual recovery in energy demand. To stabilize the industry, OPEC-led cuts in production levels were implemented post-pandemic, supporting the industry's stabilization in 2021 and laying a foundation for anticipated growth in the upcoming period.

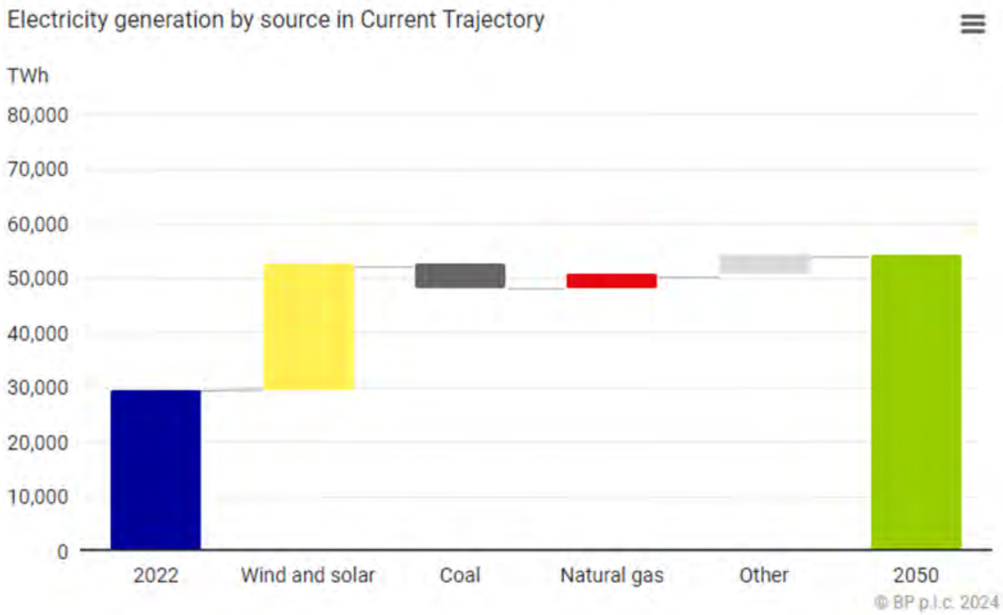
- **Geopolitical trends:** Changes in the political, economic, and regulatory landscape has an impact on both the supply and demand sides of the energy industry. In addition, the fiscal, political, and regulatory policies of countries that produce oil also affect the level of extraction activity and spending in the industry.

- **Technology and innovation:** Advances in subsea and marine related technology have advanced rapidly and have enabled more efficient and robust production of oil resources. The technology also helps operators to optimize their operational performance and efficiency coupled with safe operations.

- **Change towards renewable energy:** according to BP's Energy Outlook 2024, the forecast increase in electric energy demand will largely be covered by wind and solar as shown in figure 3 below. This is not split between onshore and offshore developments, but it is in the Company's view reasonable to assume that offshore wind will constitute a significant portion of this.

[14] IEA, "Oil Market Report – May 2022". Published May 2022. All rights reserved. Available from: https://www.iea.org/reports/oil-market-report-may-2022 (free source) (accessed September 2024)
[15] IEA,"Oil Market Report – May 2022" Published May 2022. All rights reserved. Available from: https://www.iea.org/reports/oil-market-report-may-2022 (free source) (accessed September 2024)

Figure 3: Electricity generation by sources



Source: BP Energy Outlook 2024 (https://www.bp.com/en/global/corporate/energy-economics/energy-outlook/power-sector.html

7.2 Market segments

The Group's clients include offshore oil and gas companies, offshore wind companies, and, increasingly, companies in the marine minerals sector. The Group offers services for companies in three segments:

- **Oil and gas companies**
  - Inspection, Maintenance, Repair and Survey (IRMS);
  - Greenfield development, route survey connection with installation of floating production storage and offloading (FPSOs), inspection of existing pipelines, power cables and subsea infrastructure;
  - Subsea inspection programs and general maintenance activities;
  - Seismic support operation for OBN in cooperation with Shearwater.

- **Offshore wind companies (OWS)**
  - Pre-installation and route survey, cable burial inspection and verification;
  - Survey of new areas prior to installation and inspection relating to building of offshore wind farms in connection with installation of offshore wind parks, installation of power cables and fibre cables and inspections of infrastructure;
  - Multi-Client (MC) for greenfield acreage prior to concession rounds.

- **Marine minerals companies / Geological institutions**
  - Exploration surveys related to new licenses and resource estimation;
  - Environmental assessments prior and after exploration and extraction activities;
  - Multi-Client (MC) for greenfield acreage prior to concession rounds;
  - Potential licensing rounds participation on NCS opening rounds.

7.3 Regulatory environment

7.3.1 *Introduction*

As a result of the scope of its operations, the Group is subject to a variety of laws and regulations in different countries, including those related to the industry in general. These laws and regulations may be interpreted, implemented or amended in a manner that affects the Group's business negatively as well as positively.

The below sections set forth a summary of material laws and regulations relevant to the Group's business operations, as well as information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Group's operations. A more detailed presentation of the risk factors relating to the regulatory environment is given in Section 2.2 *"Risks related to laws and regulations"* above.

In the below sections it is referred to provisions and regulations in customer contracts. These do not necessarily reflect the terms and conditions of the customer contracts entered into by the Group at the date of this Prospectus but are intended as general descriptions of terms and conditions often seen in the type of customer contracts the Group usually enters into.

7.3.2 *Permits and licenses needed for the Group's operations*

It is a general requirement that vessels are approved (classed) with a classification society and that vessels comply with the rules and regulations of the classification society and the flag state. The vessels operated by the Group, Argeo Searcher and Argeo Venture, are classed with Bureau Veritas and registered in Bahamas. In order to maintain classification approvals, the vessels must undergo surveys and inspections at regular intervals, and it may be necessary to perform upgrades or repairs to the vessels in order to maintain necessary classification approvals and certificates.

In contracts with customers the Group may undertake to ensure that its vessels, AUVs and other assets obtain certificates and approvals issued by international industry associations, and that internal policies pertaining to health, safety, security and environment are compliant with specific internationally recognized standards. The Group may also be required to obtain and maintain local permits and licenses pertaining to the vessels, their equipment, the personnel or the particular operations to be undertaken in the area of operation. The customer contracts would often provide that the customer and the Group shall cooperate in obtaining such licenses and approvals, and it may differ from contract to contract whether the ultimate responsibility rests with the Group or the customer. It is not uncommon that the customer must obtain the more general permits and licenses for the overall project, while the Group must obtain specific permits and licenses pertaining to its personnel or equipment.

7.3.3 *Environmental, health and safety laws and permits*

The vessels operated by the Group must comply with the laws and regulations of the flag state pertaining to health, safety and environment ("**HSE**"). In addition, the Group and its vessels must comply with the HSE laws and regulations applicable in the local jurisdictions where operations are performed, and it may be necessary to obtain specific permits from local authorities in order to perform offshore operations under contracts with customers. As the Group is performing operations in a wide range of different countries and jurisdictions, the Group has to comply with differing sets of HSE rules and regulations which may also be subject to changes on short notice. As example, the occurrence of local epidemics in an area of operation may subject the Group vessels and personnel to more stringent quarantine requirements or suspension of operations, while operations in or near areas affected by piracy, war or war like operations could require increased safety measures such as armed guards and other precautionary measures. In addition, it is normally agreed in customer contracts that the Group, when performing operations for the customer, shall at all times comply with the applicable HSE regulations of the customer. Finally, the Group would need to comply with the HSE laws and regulations applicable at the locations where the Group has its offices.

7.3.4 *Other laws, regulations and standards*

Firstly, the Group must comply with the laws, regulations and standards applicable in the jurisdictions where they have offices and/or legal entities registered. This includes inter alia tax laws, employment laws and company laws. There is a variety of international conventions which apply to vessels and maritime operations and which the Group and its vessels must comply with. The Group must also comply with the local laws and regulations in the areas where it conducts its operations. In many jurisdictions, a foreign operator which only provides a vessel and marine personnel for a short period of time, and which does not have a legal entity registered in such country, or shore-based personnel employed in such country, would be exempt from several of the laws and regulations which otherwise apply to domestic companies. In some jurisdictions there are local content rules which, for instance, would require foreign operators to employ a certain number of local personnel or to procure supplies or services from local vendors and suppliers. There may also be restrictions on foreign flagged vessels which could either prevent the Group from performing operations or impose restrictions on the operations. It is not uncommon that customer contracts contain references to international industry standards to which the Group undertakes to comply with in the performance of the operations.

Some customer contracts contain a change in laws provision which ensures that the Group is compensated in case of changes in laws and regulations, including changed interpretation of such laws and regulations, in the relevant are of operation. Certain type of changes to laws and regulations may also constitute force majeure events under customer contracts which would entitle the Group to extensions the contract schedule (but not necessarily to compensation for increased costs). The aforementioned provisions are of more importance in long term customer contracts and in customer contracts where there is a considerable period of time between signing and commencement of operations.

7.3.5 *Data protection regulations*

The Group is subject to GDPR and local data privacy laws in the countries the Group operates in and has implemented stringent data protection procedures and separate GDPR compliance systems to meet these laws and regulation. The Group primarily handles the personal data of its employees, as well as the personnel of the Group's suppliers and customers. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and could impose penalties for noncompliance, related to storing, sharing, use, processing, disclosure and protection of personal information and other user data on its platforms.

7.3.6 *Tax*

The Group is subject to prevailing tax laws in each jurisdiction the Group operates and will be subject to changes in tax laws, tax treaties or regulations or the interpretation or enforcement thereof in the various jurisdictions, possibly with retrospective effect. Procedures and actions are implemented in the Group to adhere to applicable tax laws wherever the Group is present and conducts its operations. The Group's overall tax charge is dependent on where profits are generated and taxed, where the respective jurisdictions have different tax systems and tax rates. The customer contracts would usually contain provisions specifying which party shall be liable for local taxes levied in the area of operation. Such taxes may include fees for the import and export of vessels and equipment, withholding tax and payroll taxes depending on the duration of the operations. In some contracts it is agreed that the customer shall be responsible for local taxes and where the Group is indemnified and held harmless from any tax liability, while in other contracts the Group has undertaken responsibility for some, or all, of the local taxes levied in respect to the Group's vessels, personnel and operations.

7.3.7 *International sanctions, export/import control and anti-money-laundering laws and regulations*

The Group's operations make the Group exposed towards international sanctions laws and regulations, in particular sanctions on trade and import/export, and anti-money laundering laws through its trade across multiple jurisdictions. Furthermore, sanctions imposed on certain countries, companies or individuals by international and regional bodies including those administered by the United Nations, the European Union and the U.S. Office of Foreign Assets Control could materially adversely affect the Group's ability to trade with sanctioned countries or companies and/or individuals linked with such countries. The Group has policies, procedures and processes in place that aim to ensure that any cross-border transfer of people, products, services, technology and funds are properly screened against all relevant sanctions lists and programs, as well as procedures to prevent and detect red flags related to sanctions, export controls, money laundering and terrorist financing.

7.3.8 *Anti-bribery/anti-corruption laws and regulations*

Operating an international business requires the Group to comply with the laws and regulations of various jurisdictions. In particular, the Group's international operations are subject to anti-corruption laws and regulations, such as the UK Bribery Act of 2010, the relevant provisions in the Norwegian Criminal Code and the anti-corruption laws and regulations in the jurisdiction of the area of operations. In addition, the customer contracts would often contain detailed anti-corruption and anti-money laundering provisions which the Group must comply with as part of its material contractual obligations. The Group is of the view that it has the necessary governance and implemented procedures in place to work in a manner that effectively deals with the corruption risks that are associated with delivery of services in the areas that the Group operates.

7.3.9 *National and international policies*

As of the date of this Prospectus, the Group is not aware of any national or international policies or factors that will materially affect the Group's operation. The global outbreak of the Covid-19 virus, did, however, lead to temporary changes in laws in countries that the Group has operations in, and in countries that the Group sources equipment and services from. Although the Group is not aware of any future policies or measures that will have a material impact on its operations, it cannot not be ruled out that changes in governmental, fiscal, monetary or political policies could materially affect, directly or indirectly, the Group's operations.

8 BUSINESS OF THE GROUP

8.1 Introduction to the Company

Argeo is an offshore service provider specialised in ocean surveys and inspections using autonomous robotic solutions. Argeo's services utilizes technologically advanced AUVs, equipped with underwater robotics solutions and unique patented electromagnetic sensor technology, to collect offshore data, deployed from cost-efficient surface vessels. The Company's market is primarily within three market segments: i) oil and gas, ii) offshore renewable energy and iii) marine minerals, as further described in Section 7.2 "*Market segments*". By utilizing data from Argeo's sensor technology installed on the vessels, the Company offers a comprehensive range of offshore services. These services provide customers with data and visualization capabilities in water depths down to 6,000 meters.

As of the date of this Prospectus, Argeo operates two vessels (Argeo Venture and Argeo Searcher), four AUV's (two Hugin Superiors, one Hugin 6000 and one Hugin 1000), with an option for another Hugin AUV, and one USV (Argeo Argus). In addition, Argeo has a digital modelling and digital twin software (Argeo SCOPE™) that is based on geophysical, hydrographic and geological methods from shallow waters to the deepest oceans for the above-mentioned market segments.

Argeo is headquartered in Asker, Norway, and operates internationally.

8.2 Competition

The Company is a specialised provider of survey and inspection services in the global competitive landscape. The Company is exposed to both direct and indirect competition from other providers of survey and inspection services. AUV operations are in indirect competition with other technologies performed with ROVs or survey vessels in some of the Company's business verticals. ROVs require a nearby vessel in order to be deployed and operated at sea, which take longer time to complete (less production efficiency) and in turn, require higher fuel consumption and a higher amount of man hours. As a provider of AUV services, the Company is of the opinion that it has a more flexible business model that enable a more cost and production efficient and environmentally friendly service offering as compared to competing solutions that require larger vessels to operate. The Company's vessels are also equipped to operate ROVs or perform other offshore maintenance/repair services if required, and the Company has an opportunistic approach to this.

In deep water, AUVs provide the Company with a stable and quiet platform that operates closer to the seabed/area of examination, enabling higher resolution imaging than what can be achieved from surface survey vessels, which utilise hull mounted equipment and towed sensors. AUVs also offer a more optimal, stable, and efficient sub-sea vehicle than ROVs, covering a larger area with superior data quality in a shorter time frame, delivering best cost of ownership together with highest quality, according to the Company. Especially in deep waters, data acquired from surface survey vessels are, based on management's experience, at too low resolution to discover or image the seafloor, objects or commodities sought after in the deep-sea minerals vertical. For shallow water surveys or inspection both survey vessels and ROVs are competing products.

In addition, AUVs are assumed to operate at a higher speed which allows for a faster coverage for the areas of interest which, in turn, represents a more cost-efficient and time-consuming service for developers and companies.

8.3 Strategy and objectives

The Company's strategy and objective is to transform the ocean survey and inspection industry by utilizing autonomous surface and underwater robotics solutions equipped with unique patented electromagnetic sensor system in combination with subsea vessels. By using sensors and advanced digital imaging technology, Argeo aims to significantly increase efficiency and imaging quality in addition to contribute to significant reduction in CO_2 emissions from operations for the global industry in which the Group operates.

Since entering the 5-year bareboat charter-in contract for Argeo Searcher in late 2022, the Company expanded its strategy to include ownership of vessels to secure long-term capacity for its operations. This expansion enables the Company to provide its clients with a full-service offering, or "spreads", of vessels, AUV's and relevant technology. This was further developed with the long-term charter-in (and related purchase options) of Argeo Venture in late 2023. On the back of this new strategy, Argeo has secured contracts with major E&P companies, such as Shell, NCPOR, RWE and Woodside, including the contract with TotalEnergies for Argeo Venture, and entered into a partnership with Shearwater which may offer opportunities for scaling and expansion, potentially increasing the number of active spreads (i.e. vessels and equipment). For further information, see Section 8.8 "*Patents, contracts, licenses, etc*".

As a response to the tightening vessel market conditions observed during 2022, the Group developed a new growth strategy that involved a vessel acquisition and conversion plan, a new fleet of high-productivity asset pool based on the Hugin design and a turnkey product delivery service. Consequently, the Group entered a phase of growth and expansion, transitioning from primarily an asset light (vessel of opportunity or project to project vessel time charter) survey business to full vessel spread operation, including vessels and associated equipment. The Group aims to strengthen its growth strategy by expanding its value chain with add-on products and services to offer a complete range of ocean space information to clients. Such activities may include ROV and IMR services and geotechnical services. Furthermore, as part of Argeo's growth strategy, the Company also intends to expand its fleet of offshore vessels and subsea equipment (spreads) and, in its own view, has a proven track record of converting idle vessels and turn them in to high-performing modern subsea vessels. Alternative ways to expand the fleet can for example involve entering short- and long-term charter agreements with shipowners, either through bareboat charters or time charters. However, the Group may need to raise additional funds through e.g. debt or additional equity financings to execute the Group's growth strategy and to fund capital expenditures going forward. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions.

A number of factors could pose potential challenges to the Company's ability to deliver on its strategy and achieve its objectives, including, but not limited to, the following:

- Securing adequate financing for any future expansion of the fleet (if necessary) or ongoing operations.
- Keeping pace with technological advancements of the markets it operates in, including with respect to any attempts on enhancing its products and services, for instance its ability to further expand and improve the technical capabilities of the Group's fleet.
- Global economic conditions, energy prices, and geopolitical events, which could lead to reduced capital spending by the Group's customers and a reduced demand for the Group's services.
- Failure to expand its fleet of vessels and underwater vehicles.
- Operational efficiency and commercial terms.

For further information related to factors that could pose challenges to the Argeo's ability to deliver on its strategy and achieve its objectives, see Section 2 "*Risk factors*", including Sections 2.3.1 "*In order to execute the Group's growth strategy, the Group may require additional capital in the future, which may not be available*", 2.1.12 "*The Group may not be able to respond to rapid technological changes or develop new services in a competitive market within its key segments*", 2.1.6 *"Risks related to dependence on exploration and energy market conditions*", 2.1.13 "*The Group is exposed to risks relating to volatile, negative and uncertain economic or political market conditions, including the ongoing war in Ukraine and Israel/Gaza*", and Section 11.1 "*Key factors affecting the Group's results of operations and financial performance*".

Figure 4: Argeo's backlog distribution between the three main segments

Figure 4 shows Argeo's backlog distribution between its three main market segments.

8.4 Business operations and principal activities

8.4.1 *Principle activities*

As outlined in Section 8.1 "*Introduction to the Company*", the Company's business operations comprise servicing three distinct industry segments: the oil and gas industry, the offshore renewable energy industry and the marine minerals industry. For further details on these industry segments, please refer to Section 7.2 "*Market segments*". While these industries differ in terms of market participants, operational procedures and service requirements, geographies and core commercial objectives, they share inherent similarities that, in the Company's opinion, work to the Company's benefit and competitive advantage.

Specifically, the Company operates primarily with one standard "survey unit", meaning that the Company at any given time utilizes the same vessel(s) equipped with the same assets (AUVs etc.) and the same crew and specialists' operators across all three industry segments. As the standard survey unit is suitable for adequately servicing all the verticals, it allows the Company to seamlessly switch between servicing different industry segments. This flexibility enables the Company to tender for various projects in different geographies without having to spend time and resources on changing its survey unit based on client and industry segment. Furthermore, this adaptability also provides a hedge against general market volatility, as the Company can shift between industries as market conditions evolve. For example, if there is a shift from traditional heavy industries like oil and gas to green energy initiatives such as offshore wind farms, the Company can pivot accordingly, ensuring resilience in the face of changing market demands.

More specifically, Argeo provides survey, inspection and light intervention subsea services to industries installing, constructing or maintaining infrastructure or equipment offshore. Argeo provides these services primarily by acquiring data using advanced AUVs, USVs and robotics systems for then to apply advanced integrated processing and interpretation creating a high-resolution digital representation of the seafloor and the sub-seafloor. The digital representation is based upon geophysical, hydrographic, and geological sensor data to be used by the customers in the abovementioned three industry segments as follows:

1) **Oil and gas industry**: Argeo provides oil and gas companies with survey and inspection services as input to offshore field design, including design and location of platform and subsea infrastructure, investigation of routes for pipelines, assessing impact on environment and inspection of existing pipeline and infrastructure.

2) **Offshore renewable energy industry**: Argeo provides assessment of area attractiveness of wind farms to get input to wind farm design, including design and location of foundations, substations etc., in addition to investigation of routes for power cables, assessing impact on the environment and inspection of existing infrastructure over its life cycle.

3) **Marine minerals industry**: Argeo provides companies, developers and governments with exploration and characterization of marine minerals by use of its fleet of AUVs equipped with state-of-the-art and patented technology and sensors delivering high-quality data with applications across the deep-sea minerals value chain from environmental impact assessment and early exploration to reserves estimation and extraction monitoring.

8.4.2 *Asset*

Argeo has a portfolio of tools to deliver its services and products. Argeo operates by deploying and collecting AUVs from vessels and characterizes its operations in terms of "spreads". Each spread includes a service a vessel (e.g. such as Argeo Venture), one or more AUVs, and the relevant subsea robotics technology required to carry out Argeo's full lifecycle services. Argeo's vessels are also designed to potentially equip ROVs or other relevant subsea equipment. The Company currently operates two full spreads.

As of the date of this Prospectus, Argeo operates two vessels: Argeo Searcher and Argeo Venture. Both vessels are financed through long-term bareboat charters with purchase options, meaning Argeo leases them under long-term contracts with the option to buy them at the end of each term. Argeo Searcher is under a five-year bareboat charter, while Argeo Venture is financed through a sale and leaseback arrangement. For key details about the vessels, please refer to Figure 5 below.

Figure 5: Overview of Argeo's vessels

Argeo Searcher

- Built in 2001, upgraded in 2006 and 2023
- Multipurpose AUV/ROV and geotechnical survey vessel
- Capacity for 65 persons
- Fully operated by Argeo
- Bareboat charter with purchase option

Argeo Venture

- Built in 2009 and converted in 2024
- Multipurpose AUV/ROV and geotechnical survey vessel
- Capacity for 69 persons
- Fully operated by Argeo
- Sale/leaseback agreement

In addition to the abovementioned vessels, the Group has four AUVs, with an option for acquiring an additional AUV. Argeo has also recently purchased a USV, the Argeo USV, for offshore and coastal applications.

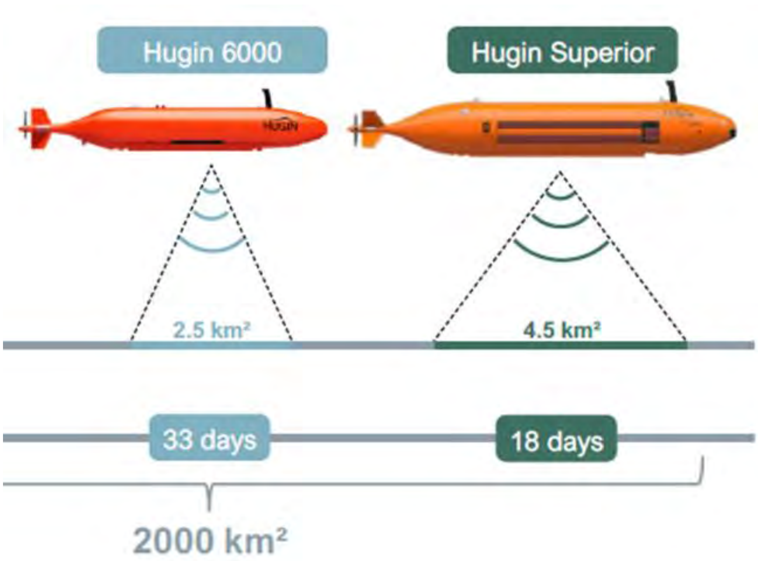
In August 2024, the Company sold its two SeaRaptor 6000 units in an effort to high-grade its AUV fleet. As a result, the Searaptor 6000 units are no longer part of the Company's fleet. For an overview of Argeo's current fleet of AUVs and USV, please refer to figure 6 below.

On 21 October 2024, the Company signed a letter of intent for a sale lease-back for the Hugin 6000 AUV with CSI Leasing. The transaction is subject to, inter alia, signing of final leasing documents with CSI Leasing and certain other conditions.

Figure 6: Overview of Argeo's fleet of AUVs and USV

The Hugin AUVs are delivered by Kongsberg Discovery AS, and offers high-quality data and coverage coupled with accurate navigation and positioning solutions. According to the Company, AUVs generally enhance efficiency significantly compared to ROVs, which typically perform interventions in addition to surveying. In the Company's view, this makes AUVs the preferred asset for long-distance, deep-water operations. The Hugin Superiors are onboard Argeo Searcher and Argeo Venture, respectively. The Hugin 6000 is utilized as containerized "vessel of opportunity" systems for shorter projects globally, while the Hugin 1000 is currently used locally as a containerized system for shallow-water missions, typically in the North Sea. For an overview of the efficiency of Argeo's various AUVs, please refer to figure 7 below.

Figure 7: Overview of efficiency of Argeo's different AUV types:



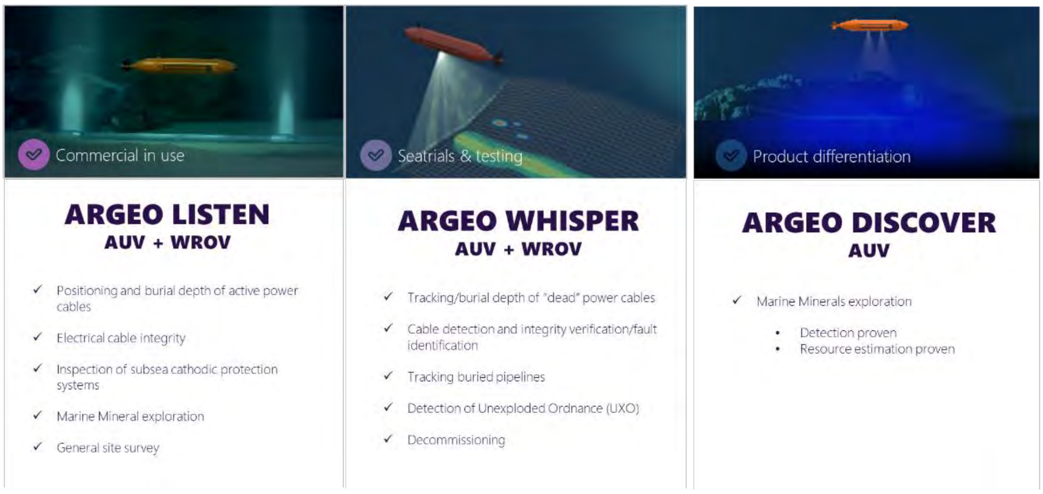
Argeo intends to expand its fleet of offshore vessels and subsea equipment (spreads) and believes it has a proven track record of converting idle vessels into high-performing, modern subsea vessels that are accepted by tier 1 clients.

8.4.3 *Proprietary technology*

Argeo performs in-house sensor engineering of new sensor technology for autonomous data acquisition and systematically aims to strengthen its IP portfolio and apply for patent protection when applicable.

The AUVs are equipped with Argeo's own technologies, such as Argeo Listen, Argeo Whisper and Argeo Discover. Applications and key design features of the sensors represents five of the seven patents granted by and registered with the Norwegian Industrial Patent Office. All of these sensors have been developed by Argeo Robotics, a wholly owned subsidiary of the Company. Please refer to Figure 8 below for an overview of Argeo Listen, Argeo Whisper and Argeo Discover. For further information and additional details on Argeo's proprietary technology, including the digital twin system "Argeo SCOPE", please refer to Section 8.9 "*Research and development*".

Figure 8: Overview of Argeo technology:



8.4.4 *Products*

Argeo provides full lifecycle subsea services using advanced robotics and digital solutions for the ocean space, and hence, the Company's products are the services provided as set out in Section 8.4 "*Business operations and principal activities*". The products/services are divided into four main categories: i) survey, ii) inspection, iii) maintenance & repair and iv) data as a service ("**DaaS**"). Through sale and leaseback agreements, the Company also has rental income derived from the rental of AUVs.

Argeo does not report revenues per product as they are set out herein. Please refer to table 1 below for an overview of the Company's revenue streams from 2021 to the date of this Prospectus.

Table 1 – Revenues breakdown	**YTD Q2 2024**	**2023**	**2022**	**2021**
Revenue from contracts with customers*	23 771	5 652	1 915	1 787
Rental income	1 360	4 473	1 561	-
Government grants	-	-	9	55
Total revenue	**25 131**	**10 126**	**3 485**	**1 842**
All values in USD 1000, data extracted from Argeo annual reports 2020-2023 (and Q2 report 2024)				
**For 2020 and 2019 ths line item is replaced by "External revenue"*				

As of Q2 2024, the Company's three most important products are marine minerals exploration data and oil and gas survey/inspection data. For YTD Q2 2024, revenue amounted to USD ~23.8m, based on contributions from oil and gas survey/inspection data (~58%), marine minerals exploration data (~29%), rental (~12%) and other products (~1%).

The survey product category covers geographical, hydrographical, route, environmental and shallow-water USV survey activities, as well as ultra-high-resolution photos. For inspections, the products range include pipeline and electric cable inspections, cathodic protection, inspection maintenance and repair ("**IMR**") support, depth-of-burial and as-laid surveys. The Company provides a wide range of maintenance and repair services, including subsea IMR, cathodic protection ("**CP**") or integrity inspections, module replacement and light intervention, as well as construction, installation, commissioning and handover services.

As the Company's vessels and underwater assets are gathering increasing amounts of data, an important product for the Company is DaaS.

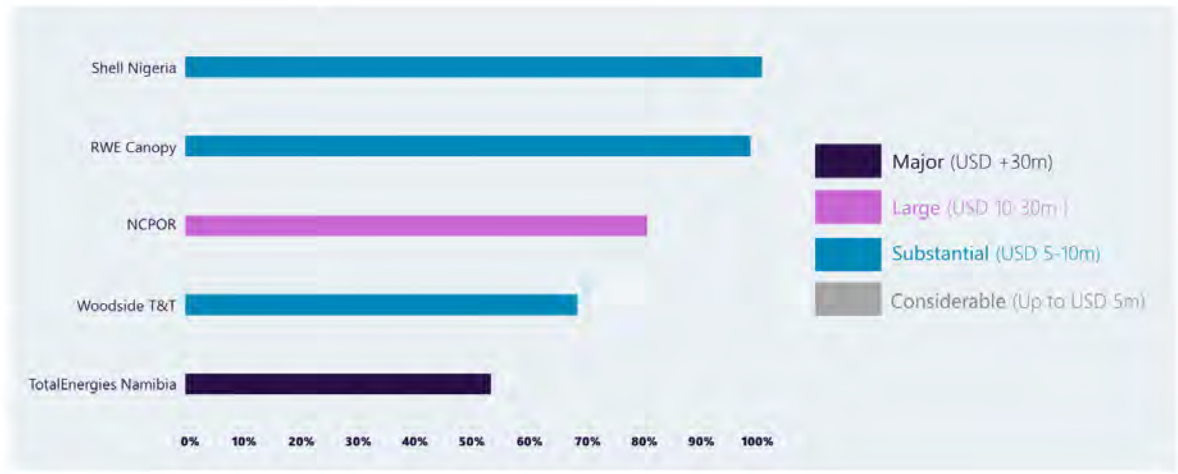
The Company can offer flexible data access models to the clients in all market segments throughout the entire project lifecycle. These projects include offshore wind concessions, marine mineral exploration, environmental & greenfield surveys and decommissioning.

8.4.5 *Backlog and backlog phasing*

The Company's business is centred around customer tender cycles, with the lead time from tender to project execution typically occurring in the last quarter of the year for execution the following year. The contract (backlog) horizon is therefore typically one quarter for projects lasting one (1) to 12 months. For projects exceeding 12 months, the contract horizon typically extends by additional six (6) to 12 months due to asset requirements and vessel preparations.

Argeo entered the year 2024 with a firm backlog totalling USD 71 million, out of which USD 25 million was realized as revenues during the first half of the year. As of Q2 2024, the remaining backlog of the Company is USD 45 million as per Q2 2024, which will be realized as revenues over the second half of the year.

Figure 9: Overview of ongoing projects included in the Company's backlog with percentage of completion



The above chart shows all ongoing operations included in the USD 71 million backlog the Company had confirmed when entering 2024, along with the percentage of completion for each contract. The completion rate shown in this chart represents the USD 25 million of the backlog realized during the first half of 2024. The remaining work of these contracts represents the remaining backlog of USD 45 million, which is expected to be realized in the second half of 2024.

Figure 10: Overview of 2024 backlog phasing

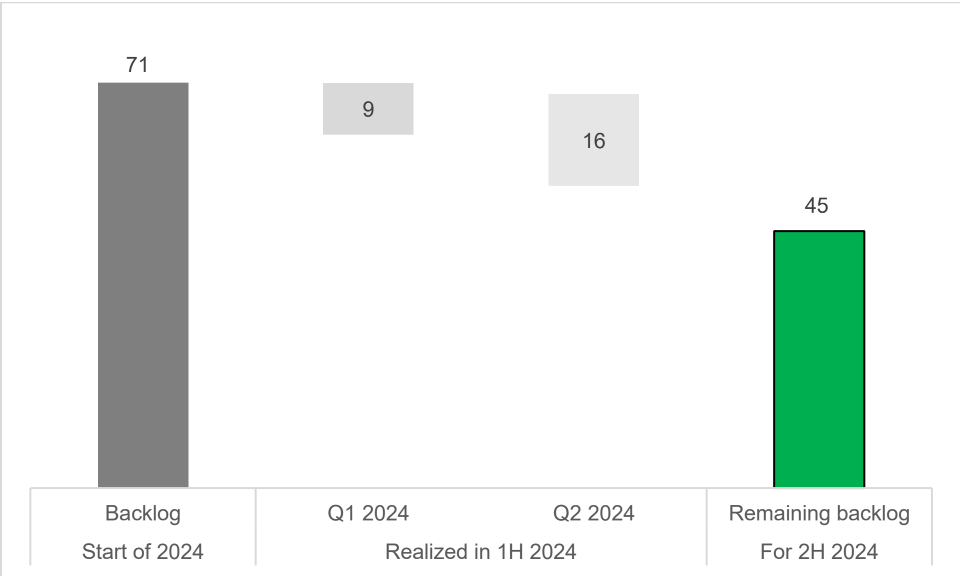


Figure 11 below shows Argeo's ongoing projects by asset on a quarterly basis for the period 2024–2025, which are included in the backlog estimates presented in this Section 8.4.5.

Figure 11: Overview of ongoing projects per asset[16]

8.4.6 *Strategic Alliance with Shearwater*

On 27 September 2023, the Company announced that it had entered into a Strategic Alliance with Shearwater for innovating and pioneering new technology and products across the subsea and marine seismic markets. Shearwater, headquartered in Bergen, is a provider of marine geophysical services that develops data collection and imaging technology to provide clearer images of the subsurface, with the aim of helping its clients making better decisions about the future of energy.

The Strategic Alliance and planned collaborative marketing will help expand Argeo's presence in the global offshore energy sector while creating new joint business opportunities for Argeo and Shearwater through shared clients and projects. This partnership will be supported by a broader joint service and product portfolio. The alliance aims to advance the subsea and OBN seismic service sectors through the application of patented technology and ongoing improvements to increase efficiency across key markets, including the development of new robotic solutions for OBN seismic. The collaboration also seeks to develop integrated methods and service offerings for the growing CCUS (Carbon Capture, Utilisation, and Storage) market by incorporating Argeo's advanced AUV solutions and supporting digital products like Argeo SCOPE™. Additionally, Argeo and Shearwater may explore multi-client opportunities with a comprehensive approach to new data products.

As part of the Strategic Alliance, Argeo purchased the Argeo Venture from Shearwater for USD 6 million in cash, along with 20,123,625 consideration shares in Argeo. In connection with the transaction, the Company entered into a memorandum of agreement (MOA) with Shearwater for the purchase of Argeo Venture. Additionally, the parties have signed a letter of intent (LOI) for a long-term capacity agreement, which is part of the MOA. For further information, please refer to Section 8.8 "*Patents, contracts, licenses, etc.*".

8.5 History and important events

The table below provides an overview of key events in the history of the Group:

Table 2 - Overview of key events in the history of the Group

Year	Event
2014	Argeo AS was incorporated on 28 May 2014 as Ascent Geo Holding AS.
2017	The Group entered into a contract with Bane Nor relating to the 18km Intercity project.
2017	Infrastructure agreement with Multiconsult.
2018	First bridge and tunnel project with the Norwegian Public Roads Administration (Nw.: *Statens vegvesen*).
2018	Qualified subcontractor to Oceaneering.
2018	Initial 3D GEOMODEL development.
2019	First AUV and offshore Aqua farm with Nordlaks AS and Multiconsult.
2019	The Company changed legal and commercial name to Argeo AS.

[16] Vertical blue line shows the date of this Prospectus.

2019	First major bridge project with Multiconsult and Nye Veier AS.
2019	Full scale 3D GEOMODEL.
2020	Land-based aqua farm with Andfjord Salmon AS.
2020	Offshore anchor-location with Norway Royal Salmon ASA.
2020	Second stage bridge project with Multiconsult and Nye Veier AS
2020	Purchase of first Hugin AUV.
2021	
January	Joint-venture agreement with Multiconsult.
April	Order Deep Sea AUV from a large and reputable supplier especially equipped for DSM exploration.
May	Order a second SeaRaptor 6000 newbuild AUV from Teledyne Gavia
April	NOK 175 million funding in a private placement and the subsequent admission to trading.
April	Listing on Euronext Growth Oslo
September	NOK 12 million grant from Innovation Norway and Norwegian Research Council of the Digital Twin project.
November	Expansion of AUV fleet with the Eelume autonomous snake robot (project terminated)
December	Agreement with undisclosed customer for AUV work in Brazil.
December	Agreement with undisclosed customer for ultra-deep water AUV survey works.
2022	
March	Purchase of Hugin 6000 system from Kongsberg.
March	Signs project for purchased Hugin 6000.
March	Agreement with Statens Vegvesen for AUV work.
March	Commenced first multi-client offshore wind project at Utsira Nord.
April	Successful private placement of 15,000,000 new shares, raising NOK 75 million in gross proceeds.
May	AUV work for Statens Vegvesen.
June	The first uncrewed, remotely supervised survey and inspection vehicle, named Argeo Argus, is commercially launched.
July	SeaRaptor Bravo complete ultra-deep water AUV survey work.
September	New Hugin 6000 AUV system starts commercial work with a contract value at 4.5 MUSD.
October	Argeo enters a 5-year bareboat contract for vessel Argeo Searcher.
October	New Argeo USV “Argus” enters commercial operations.
November	Argeo granted patent for subsea electromagnetic remote-sensing system.
November	Agreement for ultra-deep water AUV work.
December	NOK 20 million loan granted from Innovasjon Norge.
December	Successful private placement of 30,300,000 new shares, raising gross proceeds of NOK 50 million.
2023	
January	Subsequent offering of 3,124,369 new shares, raising gross proceeds of NOK 5,155,207.
February	Agreement with the Polish Geological Institute – National Research Institute (PGI-NRI) for AUV.
March	Survey contract with Stromar Offshore Wind Farm.
April	Agreement with seismic company partner for multiclient deep sea mineral project.
April	Survey contract with Norwegian Petroleum Directorate
June	Argeo granted patent for electromagnetic method for tracking and detection of pipelines and power cables.
June	Successful private placement of 15,576,168 new shares, raising gross proceeds of approx. NOK 43 million.
July	Completion of a subsequent offering of 2,670,531 new shares in the Company, raising gross proceeds of NOK 7,343,960.25.
August	Argeo is granted a new patent for an electromagnetic method for detection of buried objects.
August	Argeo is granted a new patent on a high energy electromagnetic system.
September	Argeo announces a letter of intent for an agreement for the purchase of two Hugin Superior AUVs and one Hugin 6000 AUV.

September	Argeo announces that it has entered into the Strategic Alliance, including the acquisition of Argeo Venture.
September	Argeo has in principle agreed with a supermajor oil and gas company on a 3-month subsea inspection program starting in November 2023 with a duration of minimum 90 days.
October	Argeo announces the successful completion of a private placement, raising gross proceeds of NOK 250 million.
October	Argeo is the winner of a tender for a Greenfield exploration project with a winning bid of NOK 150 million.
November	Argeo confirms signing of NOK 55 million contract over the Bonga field subsea assets work program for SNEPCo - Shell Nigerian Exploration and Product Company and local content partner GOSL.
November	Conversion of Argeo Venture completed.
November	Argeo's third quarter revenue increased by 658%.
2024	
February	Argeo announces the signing of a NOK 150 million contract with India's National Centre for Polar and Ocean Research (NCPOR).
February	Argeo announces successful completion of sale-and-leaseback of Argeo Venture (as defined below) to replace the offer for a USD 10 million bank loan and USD 2 million credit facility (as announced in October 2023).
March	Argeo signs a USD 39 million contract with an international energy company.
March	Argeo announces the successful completion of a private placement raising gross proceeds of NOK 50 million.
March	Argeo signs a "Certificate of Delivery and Acceptance" with CSI Nordics for second Kongsberg Discovery HUGIN Superior AUV.
April	Argeo announces USD 39 million contract with international energy company Total Energies.
April	Argeo announces contract with Woodside Energy, occupying the Company's vessel Argeo Searcher for approximately 60 days, not including any additional work, commenced in Q3 2024.
April	Argeo is granted a new electromagnetic sensor system patent
June	Argeo announces contract with RWE, occupying the Company's Hugin 6000 containerized system for approximately 50 days, which commenced in Q2 2024.
June	Argeo is granted a new patent for acoustic tracking of buried sub-sea objects.
June	In anticipation of the contemplated Listing, the Company's annual general meeting resolved a reverse share split of the Shares in the ration 5:1, which was registered in the Norwegian Register of Business Enterprises on 20 June 2024. Following such registration, the share capital of the Company is NOK 22,208,174.50 divided into 44,416,349 shares, each with a nominal value of NOK 0.50.
August	Argeo entered into agreements for sale of its two SeaRaptor 6000 AUVs.
October	Argeo signed a letter of intent for a sale lease-back for the Hugin 6000 AUV with CSI Leasing.

8.6 Material contracts outside the ordinary course of business

The Company has not entered into any material contracts, outside those entered into in the ordinary course of its business, or any other contracts entered into outside the ordinary course of business which contains any provision under which any Group company has any obligation or entitlement which is material to the Group.

8.7 Legal and regulatory proceedings

The Group is not, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

8.8 Patents, contracts, licenses etc.

It is the Company's view that the Company's existing business and future profitability are not dependent upon any single contract.

The agreements described below are however considered to be of importance to the Company:

- The Company has signed a USD 39 million contract with international energy company TotalEnergies for work offshore Africa that will occupy Argeo Venture for the remainder of 2024.
- The Company has completed a sale-and-leaseback of Argeo Venture to replace the offer for a USD 10 million bank loan and USD 2 million credit facility originally announced in October 2023. The transaction provided improved cash liquidity over such loan and credit facility in addition to more favourable terms regarding covenants and restrictions.
- The Company has signed a NOK 154 million contract with India's national Centre for Polar and Ocean Research

(NCPOR) regarding a near-seabed exploration survey and data analysis project, whereof approx. 80% has been successfully completed, and whereof the remaining approx. 20% has been left outstanding as an optionality to be discussed between the parties during Q4 2024 and which, if to be completed, in all likelihood will commence and be completed in Q1 2025.

- The Company signed a letter of intent for an agreement for the purchase of two Hugin Superior AUVs and one Hugin 6000 AUV, of which the first two were delivered in November 2023 and March 2024, respectively, and the last one is scheduled for delivery in Q1 2025.
- The Company has signed a 5-year bareboat contract for vessel Argeo Searcher, with an option to purchase the vessel. The Company has entered into an addendum to the bareboat contract, which will involve a new contract period of 5-year from and including 1 January 2024 and a new optional purchase price USD 8 million after completing a NOK 40 million upgrade by the owner Ocean Pearl AS.

In addition to the above, the Company has entered into the following agreements with Shearwater as part of the Strategic Alliance (as further described in Section 8.4.6 "*Strategic Alliance with Shearwater*"):

- A memorandum of agreement dated 26 September 2023 with a subsidiary of Shearwater relating to the acquisition of Argeo Venture for a total purchase price of USD 12,000,000, which was settled by way of a cash payment of USD 6 million and through issuance of 20,123,625 consideration shares by way of conversion of a seller's credit of USD 6 million pursuant to a seller's credit agreement dated 26 September 2023.
- An LOI for a capacity agreement, enabling Shearwater to hire capacity with respect to Argeo Venture from the Company for Shearwater's OBN operations.

8.9 Research and development

The Company's operations are based on delivering next-generation subsea services to their clients, utilizing state-of-the-art robotics and autonomous technology combined with top-of-the-line sensor technology. As part of the strategy, the Company is highly focused on research and development through its wholly owned subsidiary Argeo Robotics, a technology and engineering company delivering unique and innovative solutions for ocean subsea surveying and inspections.

The Company's technological system range includes Argeo Listen, Argeo Whisper, Argeo Remote and the digital twin system Argeo SCOPE.

Argeo Listen is a modular passive electrode- and magnetometer system for electric and magnetic field measurements in sea water, which is currently fully integrated on the Company's AUV platforms, while Argeo Whisper is an active electro-magnetic system for detection of buried metal objects and cables in marine environments. Both systems can operate down to 6000m water depth.

Argeo Remote is the Company's solution for mission control, providing backup, supervision and support for on-prem or containerized operations.

Argeo SCOPE is the Company's cloud-based solution for management, analysis and interpretation of Ocean Space data, enabling fast and performant 3D visualization of data in a user-friendly browser-based interface.

The Company's intangible assets account for ~5.3% of the total assets at year-end 2023, slightly up but still in line with numbers for 2022 (~4.5%) and 2021 (~4.4%). The intangible assets consist of development, software, patents and licenses, with a breakdown shown in table 3 below. The Company has made continuous investments in intangible assets mainly related to development of electromagnetic sensor solutions and Argeo SCOPE, demonstrating its commitment to research and development as part of its business.

Table 3 – Intangible assets breakdown	**2023**	**2022**	**2021**
Development	3 192	1 675	473
Software	456	623	332
Patents and licences	142	168	62
Total intangible assets	**3 790**	**2 466**	**867**

All values in USD 1000, data extracted from Argeo 2023 Annual report.
Values based on EoY post yearly depreciation and ammortization.

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below has been prepared on the basis of an unaudited, consolidated management report for the period ended 31 July 2024, including an unaudited statement of financial position for the Group. The unaudited management report has been prepared in accordance with the same accounting policies and principles as the Annual Financial Statements, attached hereto as Appendix B.

This Section 9 "Capitalisation and indebtedness" provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 31 July 2024 and, in the "Adjustment amount" column, the estimated impact to the Group's consolidated capitalisation and net financial indebtedness as at 31 July 2024.

Adjustments for estimated effects of the following events:

- In August 2024 the Group signed an agreement for the sale of two SeaRaptor 6000 AUVs.

Other than as set forth above, there has been no material change to the Group's consolidated capitalisation and net financial indebtedness since 31 July 2024.

9.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as at 31 July 2024:

Table 4 - Capitalisation

(In USD thousands)	**As at 31 July 2024 [a]**	**Adjustment amount[b]**	**As adjusted as of the date of the Prospectus**
Total current debt:			
Guaranteed………………………………………………………………	-	-	-
Secured…………………………………………………………………	426[1]	-	426
Unguaranteed / unsecured …………………………………………………	28,347[2]	-499[1]	27,847
Total current debt:……………………………………………………	**28,773**	**-499**	**28,274**
Total non-current debt:			
Guaranteed ………………………………………………………………	-	-	-
Secured ………………………………………………………………	1,561[3]	-	1,561
Unguaranteed / unsecured …………………………………………………	31,671[4]	-2,373[2]	29,298
Total non-current debt:………………………………………………	**33,232**	**-2,373**	**30,859**
Total indebtedness………………………………………………………	**62,005**	**-2,873**	**59,133**
Shareholders' equity			
Share capital………………………………………………………………	2,163[5]	-	2,163
Legal reserve(s)……………………………………………………………	68,992	-	68,992
Other reserves………………………………………………………………	-29,042[6]	-	-29,042
Total shareholders' equity……………………………………………	**42,114**	-	**42,144**
Total capitalisation………………………………………………………	**104,119**	**-2,873**	**101,247**

(a) The data set forth in this column are derived from the Group's unaudited statement of financial position for the period ended 31 July 2024:

[1] Secured current debt of USD 0.4 million consist of the current portion of the Group's loans from Innovation Norway. All three loans are secured with machinery and plant in Argeo Survey AS, Argeo ASA and Argeo Robotics. Further, the loans are secured with 50% of the shares in H1000 JV AS, a parent company guarantee from Argeo AS, and trade receivables in Argeo Survey AS.

[2] Unguaranteed/Unsecured current debt of USD 28.3 million consist of current interest-bearing liabilities of USD 3.3 million (total current interest-bearing liabilities less current portion of secured debt), trade payables of USD 14.4 million, current lease liabilities of USD 7.4 million, current provisions of USD 0.9 million and other current liabilities of USD 2.2 million.

[3] Secured non-current debt of USD 1.6 million consist of the non-current portion of the Group's loans from Innovation Norway. All three loans are secured with machinery and plant in Argeo Survey AS, Argeo ASA and Argeo Robotics. Further, the loans are secured with 50% of the shares in H1000 JV AS, a parent company guarantee from Argeo ASA, and trade receivables in Argeo Survey AS.

[4] Unguaranteed/Unsecured non-current debt of 31.7 million consists of non-current interest-bearing liabilities of USD 13.8 million (total non-current interest-bearing liabilities less non-current portion of secured debt) and non-current lease liabilities of USD 17.8 million.

[5] Share capital of USD 2.2 million consists of the financial statement line-item share capital.

[6] Other reserves of negative USD 29 million consists of retained earnings of negative USD 27.2 million, cumulative translation differences of negative USD 4 million and other capital reserves of USD 2.1 million.

(b) Adjustments:

[1] The adjustment of USD 0.5 million reflects the current portion of the seller credit related to two SeaRaptor 6000 AUVs sold in August 2024.

[2] The adjustment of USD 2.4 million reflects the non-current portion of the seller credit related to two SeaRaptor 6000 AUVs sold in August 2024.

9.3 Net financial indebtedness

The following table set forth information about the Group's consolidated net financial indebtedness as at 31 July 2024:

Table 5 – Net financial indebtedness

(In USD thousands)		As at 31 July 2024 [(a)]	Adjustment amount [(b)]	As adjusted as of the date of the Prospectus
(A)	Cash	2,613[(1)]	2,627[(1)]	5,240
(B)	Cash equivalents	-	-	-
(C)	Other current financial assets	14,826	876[(2)]	15,702
(D)	**Liquidity (A)+(B)+(C)**	**17,439**	**3,503**	**20,942**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	11,192	-499[(3)]	10,693
(F)	Current portion of non-current financial debt	-	-	-
(G)	**Current financial indebtedness (E + F)**	**11,192**	**-499**	**10,693**
(H)	**Net current financial indebtedness (G – D)**	**-6,246**	**-4,003**	**-10,249**
(I)	Non-current financial debt (excluding current portion and debt instruments)	17,842[(2)]	-	17,842
(J)	Debt instruments	15,389	-2,373[(4)]	13,016
(K)	Non-current trade and other payables	-	-	-
(L)	**Non-current financial indebtedness (I+J+K)**	**33,231**	**-2,373**	**30,858**
(M)	**Total financial indebtedness (H+L)**	**26,984**	**-6,376**	**20,609**

(a) The data set forth in this column are derived from the Group's unaudited statement of financial position for the period ended 31 July 2024:

[1)] Cash of USD 2.6 million consists fully of the financial statement line-item Cash and cash equivalents.

[2)] Non-current financial debt of USD 17.8 million consist of non-current lease liabilities.

(b) Adjustments:

[1)] The adjustment of USD 2.6 million reflects cash proceeds from the sale of two SeaRaptor 6000 AUVs sold in August 2024.

[2)] The adjustment of USD 0.9 million reflects a receivable related to the sale two SeaRaptor 6000 AUVs sold in August 2024.

[3)] The adjustment of USD 0.5 million reflects the current portion of the seller credit related to two SeaRaptor 6000 AUVs sold in August 2024.

[4)] The adjustment of USD 2.4 million reflects the non-current portion of the seller credit related to two SeaRaptor 6000 AUVs sold in August 2024.

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

The Group does not have any material contingent or indirect indebtedness as of the date of the Prospectus beyond that described in the tables above.

10 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Group's Annual Financial Statements, prepared in accordance with IFRS, and the Interim Financial Statements, prepared in accordance with IAS 34.

The Financial Statements are included as Appendix B and Appendix C to this Prospectus. The Annual Financial Statements has been audited by RSM. The auditor's report does not contain any modifications of emphasis on matters.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements, and should be read together with Section 11 "*Operating and financial review*".

10.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see note 1.2 "Basis for preparation" and note 1.3 "General accounting principles" of the Annual Financial Statements, attached hereto as Appendix B.

10.3 Consolidated statement of comprehensive income

The tables below set out selected data extracted from the Financial Statements.

Table 6 - Comprehensive income	**Three-month period ended 30 June**		**Six-month period ended 30 June**		**Year ended 31 December**		
(Amounts in USD thousands)	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2023** *IFRS Audited*	**2022** *IFRS Audited*	**2021** *IFRS Audited*
Revenues	15,664	1,379	25,131	3,816	10,126	3,476	1,787
Other income	-	-	-	-	-	9	55
Total revenues and other income	**15,664**	**1,379**	**25,131**	**3,816**	**10,126**	**3,485**	**1,842**
Cost of sales	10,188	2,383	15,517	5,074	14,541	5,666	3,147
Gross profit	**5,475**	**-1,004**	**9,615**	**-1,257**	**-4,415**	**-2,181**	**-1,305**
Selling, general and administrative expenses	1,258	570	2,488	1,238	1,859	2,970	1,747
Impairment	-	-	-	-	2,700	-	-
Depreciation and amortisation	2,579	1,134	4,380	1,935	4,689	1,431	227
Total operating expenses	**3,837**	**1,704**	**6,868**	**3,172**	**9,248**	**4,401**	**1,973**
Operating profit (loss)/EBIT	**1,638**	**-2,708**	**2,746**	**-4,430**	**-13,663**	**-6,582**	**-3,279**
Share of results from joint venture	-47	-21	-66	-40	-81	-326	-53
Finance income	15	4	19	12	56	31	10
Finance expense	1,803	343	2,947	744	1,751	716	75
Net exchange gains/(losses) [(1)]	-714	411	1,322	1,196	-1,417	-223	92
Net financial items	**-2,550**	**50**	**-1,672**	**424**	**-3,193**	**-1,234**	**-25**
Profit (loss) before tax	**-911**	**-2,658**	**1,074**	**-4,006**	**-16,856**	**-7,816**	**-3,304**
Income tax expense	-	-19	-2	77	-79	-1,109	1,148
Net profit (loss) for the year	**-911**	**-2,638**	**1,076**	**-4,083**	**-16,935**	**-8,926**	**-2,156**
Other comprehensive income							
Items which may subsequently be reclassified to profit or loss:							
Exchange differences on translation of foreign operations	687	-333	-1 681	-1 205	1,074	-1,756	-435
Other comprehensive income for the year	**687**	**-333**	**-1 681**	**-1 205**	**1,074**	**-1,756**	**-435**
Total comprehensive income for the year	**-224**	**-2,972**	**-605**	**-5 289**	**-15,861**	**-10,682**	**-2,591**

[(1)] Presented as part of finance expense/finance income in the Annual Financial Statements.

10.4 Consolidated statement of financial position

The tables below set out selected data extracted from the Financial Statements.

Table 7 – Financial position	**As at 30 June**	**As at 31 December**

(Amounts in USD thousands)	**2024** *IAS 34* *Unaudited*	**2023** *IFRS* *Audited*	**2022** *IFRS* *Audited*	**2021** *IFRS* *Audited*
Intangible assets	4,255	3,790	2,466	867
Deferred tax asset	-	-	-	1,166
Right-of-use assets	28,413	18,456	377	685
Property, plant and equipment	49,209	36,250	20,865	450
Multi-client inventory	381	699	406	-
Investment in joint venture	-	152	233	621
Total non-current assets	**82,258**	**59,347**	**24,347**	**3,789**
Trade receivables	8 739	219	1,726	532
Other receivables	8,863	4,071	4,570	7,873
Cash and cash equivalents	2,701	5,340	2,163	7,468
Contract assets	399	552	-	74
Other current assets	3,553	2,073	-	-
Total current assets	**24,256**	**12,254**	**8,458**	**15,947**
Total assets	**106,514**	**71,601**	**32,805**	**19,735**
Share capital	2,163	1,890	565	320
Share premium	68,992	62,204	27,356	19,143
Other capital reserves	2,042	1,734	1,640	1,507
Other equity	-31,423	-30,818	-14,957	-4,275
Total equity	**41,774**	**35,010**	**14,604**	**16,694**
Non-current interest-bearing liabilities	15,559	4,940	4,608	519
Non-current lease liabilities	19,066	13,112	150	410
Non-current provisions	1	2	9	75
Total non-current liabilities	**34,626**	**18,053**	**4,766**	**1,004**
Current interest-bearing liabilities	3,817	2,394	4,432	154
Trade payables	13,947	6,456	2,410	711
Current lease liabilities	7,557	4,751	267	297
Current provisions	867	432	810	358
Income tax payable	-	-	-	11
Contract liabilities	-	2,225	-	-
Other current liabilities	3,924	2,280	5,515	506
Total current liabilities	**30,113**	**18,537**	**13,435**	**2,038**
Total liabilities	**64,739**	**36,590**	**18,201**	**3,041**
Total equity and liabilities	**106,514**	**71,601**	**32,805**	**19,735**

10.5 Consolidated statement of cash flows

The table below sets out selected data extracted from the Financial Statements.

Table 8- Cash flows statement	**Six-month period ended 30 June**		**Year ended 31 December**		
(Amounts in USD thousands)	**2024** IAS 34 Unaudited	**2023** IAS 34 Unaudited	**2023** *IFRS* *Audited*	**2022** *IFRS* *Audited*	**2021** *IFRS* *Audited*
Cash flow from operating activities					
Profit/loss before tax	1,074	-4,006	-16,856	-7,816	-3,304
Adjustments to reconcile loss before tax to net cash flow					
Net financial items	1,672	-424	3,193	1,234	25
Depreciation, amortization and impairment	4,380	1,935	7,389	1,431	227
Share-based payment expense	300	-1	13	129	45
Working capital adjustments					

Changes in trade and other receivables	-13,312	1,042	2,006	2,109	-7,853
Changes in contract assets and other current assets	-1,329	-1,003	-2,624	74	-74
Changes in trade payables	7,491	1,276	4,046	1,699	-735
Changes in provisions	434	295	-385	387	343
Changes in contract liabilities and other current liabilities	-580	-3,317	-1,010	5,009	187
Other items					
Tax paid	-	-	-	-11	-
Net cash flows from operating activities	**132**	**-4,204**	**-4,229**	**4,243**	**-11,139**
Cash flow from investing activities					
Purchase of property, plant and equipment	-15,482	-1,466	-21,064	-24,374	-429
Investment in joint venture	-122	-	-	-	-680
Proceeds from disposals of property, plant and equipment	-	-	-	-	1,270
Investment in Multi-client	292	-292	-293	-416	-
Development expenditures	-603	-1,008	-1,524	-1,876	-570
Interest received	19	5	53	31	10
Net cash flows from investing activities	**-15,896**	**-2,762**	**-22,828**	**-26,635**	**-399**
Cash flow from financing activities					
Proceeds from issuance of equity	7,061	7,830	36,174	8,459	18,596
Repayments of long term debt	-1,753	-4,159	-5,271	-2,598	-88
Proceeds from term debt	14,000	2,806	2,602	12,653	-
Payments for principal for the lease liability	-3,483	-276	-2,155	-230	-56
Payments for interest for the lease liability	-1,589	-229	-750	-60	-24
Interest paid	-1,035	-31	-336	-76	-50
Net cash from financing activities	**13,201**	**5,941**	**30,264**	**18,148**	**18,377**
Net change in cash and cash equivalents	**-2,564**	**-1,026**	**3,207**	**-4,243**	**6,839**
Cash and cash equivalents at beginning of the year	5,340	2,163	2,163	7,468	912
Net foreign exchange difference	-75	10	-30	-1,062	-283
Cash and cash equivalents at 31 December	**2,701**	**1,147**	**5,340**	**2,163**	**7,468**

10.6 Consolidated statement of changes in equity

The table below sets out selected data extracted from the Financial Statements.

Table 9 - Statement of changes in equity	**Paid-in equity**		**Other equity**			
(Amounts in USD thousands)	**Share capital**	**Share premium**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
2021						
Equity as at 1 Jan 2021 NGAAP	**71**	**795**	**-**	**-**	**-139**	**727**
IFRS transition effects	-	-	38	-	-127	**-89**
Equity as at 1 Jan 2021 IFRS	**71**	**795**	**38**	**-**	**-266**	**638**
Net profit or loss for the year	-	-	-	-	-2,156	**-2,156**
Other comprehensive income	-	-	-	-435	-	**-435**
Total comprehensive income for the year	**-**	**-**	**-**	**-435**	**-2,156**	**-2,591**
Issue of share capital	248	18,348	-	-	-	**18,596**
Other	-	-	-	-	6	**6**
Share-based payment	-	-	1,469	-	-1,424	**45**
Equity as at 31 December 2021	**320**	**19,143**	**1,507**	**-435**	**-3,840**	**16,694**
2022						
Equity as at 1 January 2022	**320**	**19,143**	**1,507**	**-435**	**-3,840**	**16,694**
Net profit or loss for the year	-	-	-	-	-8,926	**16,694**
Other comprehensive income	-	-	-	-1,756	-	**-1,756**
Total comprehensive income for the year	**-**	**-**	**-**	**-1,756**	**-8,926**	**-10,682**
Issue of share capital	246	8,213	-	-	-	**8,459**
Share-based payment	-	-	134	-	-	**134**
Equity as at 31 December 2022	**565**	**27,356**	**1,640**	**-2,191**	**-12,766**	**14,604**
2023						
Equity as at 1 January 2023	**565**	**27,356**	**1,640**	**-2,191**	**-12,766**	**14,604**
Net profit or loss for the year	**-**	**-**	**-**	**-**	-16,935	**-16,935**
Other comprehensive income	**-**	**-**	**-**	**1,074**	**-**	**1,074**
Total comprehensive income for the year	**-**	**-**	**-**	**1,074**	**-16,935**	**-15,861**
Issue of share capital	1,112	35,062	-	**-**	**-**	**36,174**
Registration of shares from December 2022	213	-213	-	**-**	**-**	**-**
Share-based payment	**-**	**-**	**93**	**-**	**-**	**93**
Equity as at 31 December 2023	**1,890**	**62,204**	**1,734**	**-1,117**	**-29,701**	**35,010**
Q2 2023						
Equity as at 1 January 2023	**565**	**27,356**	**1,640**	**-2,191**	**-12,766**	**14,604**
Net profit or loss for the period	-	-	-	-	-4,083	**-4,083**
Other comprehensive income	-	-	-	-1,205	-	**-1,205**
Total comprehensive income for the period	**-**	**-**	**-**	**-1,205**	**-4,083**	**-5,289**
Issue of share capital	178	7,653	-	-	-	**7,830**

Registration of shares from December 2022	213	-213	-	-	-	**-**
Share-based payment	-	-	87	-	-	**87**
Equity as at 30 June 2023	**956**	**34,796**	**1,727**	**-3,396**	**-16,849**	**17,233**
Q2 2024						
Equity as at 1 January 2024	**1,890**	**62,204**	**1,734**	**-1,117**	**-29,701**	**35,010**
Net profit or loss for the period	-	-	-	-	1,076	**1,076**
Other comprehensive income	-	-	-	-1,681	-	**-1,681**
Total comprehensive income for the period	**-**	**-**	**-**	**-1,681**	**1,076**	**-605**
Issue of share capital	273	6,788	-	-	-	**7,061**
Share-based payment	-	-	308	-	-	**308**
Equity as at 30 June 2024	**2,163**	**68,992**	**2,042**	**-2,798**	**-28,625**	**41,774**

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 4 "General Information", Section 8 "Business of the Group", Section 10 "Selected Financial and Other Information" and the Financial Statements, including related notes, included in Appendices B – C of this Prospectus. This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.3 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus.

11.1 Key factors affecting the Group's results of operations and financial performance

The Group's results of operations have been, and will continue to be, affected by several factors, most of which are beyond the Group's control. The key factors that Management believes have had a material effect on the Group's results of operations during the period under review, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

11.1.1 *Technological advancements and fleet expansion*

During 2021, the Group's strategical focus changed from primarily land based seismic operations to a more marine related survey business, operating AUVs and USVs. Consequently, the Group entered a phase of rapid growth and expansion, including significant investments to expand and improve the technical capabilities of its fleet. Specifically, during 2022, the Group took delivery of two SeaRaptor 6000 AUVs[17], one Hugin 6000 AUV and one USV. Further, during 2023, the Group purchased the vessel SW Bell (renamed Argeo Venture) from Shearwater, and also took delivery of the first of three new Kongsberg Hugin AUVs.

The comprehensive fleet expansion has required additional capital funded through a combination of loans from Innovation Norway, leasing and private placements. In 2022, the Group was granted a NOK 20 million loan from Innovation Norway which was drawn with NOK 10 million in April 2023 and NOK 10 million in May 2023.

11.1.2 *Changing market conditions and shift of strategy*

In response to the tightening vessel market conditions for spot-market charter opportunities observed during 2022, the Group developed a new and more resilient strategy towards the end of H1 2022. This included a vessel acquisition and conversion plan, a new fleet of high-productivity asset pool based on the Hugin design and a turnkey product delivery service. The first vessel project under the adjusted strategy was the charter of Argeo Searcher, which is now equipped with the Group's Hugin Superior AUV. This further enabled the Group to offer independent and complete long endurance solutions to its customers. The market demonstrated a high demand for an integrated solutions like Argeo Searcher, securing several tenders and new projects and leading to the acquisition of Argeo Venture further accelerating the Groups commercial footprint and contract backlog.

11.1.3 *Operational efficiency and commercial terms*

During 2024 the Group secured contracts with more favourable commercial terms, reflecting a shift from the previous market-entry pricing strategy. Further, the Group improved its operational efficiency and reduced technical downtime compared to previous years, resulting in a significant increase in revenue and improved margins.

11.2 Recent developments and trends

During 2024, Argeo has acquired market shares in both Oil & Gas, and Marine Minerals and Renewables. In the year to date, the Group's key financial figures have especially been affected by a consistent demand in the Oil & Gas sector, along with its expanding role in the Marine Minerals sector. Other than this, Company is not aware of any known trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

11.3 Segment information for the Group

The Group is organised as one operating segment focused on the delivery of subsea services. The Group's revenue from contracts with customers arise primarily from the performance of subsea services in accordance with customer specifications. The tables set out the Group's specification of revenue and revenue by geographic markets, as extracted from the Financial Statements.

Table 10 – Specification of revenue	**Three-month period ended 30 June**		**Six-month period ended 30 June**		**Year ended 31 December**		
(Amounts in USD thousands)	**2024** *IAS 34* *Unaudited*	**2023** *IAS 34* *Unaudited*	**2024** *IAS 34* *Unaudited*	**2023** *IAS 34* *Unaudited*	**2023** *IFRS* *Audited*	**2022** *IFRS* *Audited*	**2021** *IFRS* *Audited*
Revenue from contracts with customers	15,608	659	23,771	2,276	5,652	1,915	1,787

[17] The SeaRaptors 6000 units were sold by the Company in August 2024.

Rental income	56	719	1,360	1,540	4,473	1,561	-
Total revenues	**15,664**	**1,379**	**25,131**	**3,816**	**10,126**	**3,476**	**1,787**

Table 11- Consolidated revenue by geographic markets	**Three-month period ended 30 June**		**Six-month period ended 30 June**		**Year ended 31 December**		
(Amounts in USD thousands)	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2023** *IFRS Audited*	**2022** *IFRS Audited*	**2021** *IFRS Audited*
Norway	-	-	-	-	3,297	1,261	1,787
South America					-	654	-
Africa	10,258	-	15,678	-	-	-	-
Asia	5,350	-	8,093	-	-	-	-
Europe	-	659	-	2,276	2,356	-	-
Total revenue from contracts with customers	**15,608**	**659**	**23,771**	**2,276**	**5,652**	**1,915**	**1,787**

11.4 Description of key line items

11.4.1 *Description of income statement line items*

Set forth below is a brief description of the composition of certain line items of the Group's income statement.

Total revenues and other income

The Group's revenue from contracts with customers arise primarily from the performance of subsea services in accordance with customer specifications. Contracts related to subsea services generally comprise services such as subsea data collection and data processing and interpretation. Other sources of revenue include rental of AUVs.

Cost of sales

Cost of sales are expenses directly attributable to sales revenue such as operating costs, travel expenses, salaries and social expenses, office operations, and capitalisation of costs.

Gross profit

Gross profit comprises the Group's total revenues and other income less cost of sales.

Selling, general and administrative expenses

Selling, general and administrative expenses mainly comprise of salaries and social expenses, office operations, travel expenses and other selling, general and administrative expenses related to managing the administrative aspects of the business.

Depreciation and amortisation

Depreciation and amortisation consist of depreciation and amortisation associated with the Group's tangible, intangible, and leased assets.

Operating profit (loss)/EBIT

Operating profit (loss) after depreciation, amortisation and impairment.

Net financial items

Net financial items mainly consist of net foreign exchanges gains and losses, in addition to interest expenses on the Group's seller credits, loans from Innovation Norway, lease liabilities and other financial expenses.

Income tax

Income tax consists of any current income tax in accordance with the Group's tax returns and deferred taxes.

Profit (loss) for the year

Profit (loss) for the year is the Group's operating result after deducting net financial items and income tax.

11.4.1 *Description of financial position line items*

Set out below is a brief description of the composition of certain line items of the Group's consolidated financial position.

Total non-current assets

Total non-current assets mainly comprise property, plant and equipment (primarily vessels, AUVs and USV), right-of-use assets (mainly vessels, AUV and office buildings), and intangible assets (mainly development of technology and software and multi-client library).

Total current assets

Total current assets mainly comprise cash and cash equivalents, in addition to trade and other receivables.

Total assets

Total assets are the sum of total non-current and total current assets.

Total equity

Total equity is the sum of contributed capital (share capital and share premium), translation differences and retained earnings.

Total non-current liabilities

Total non-current liabilities mainly comprise non-current interest-bearing liabilities related to the Group's seller credits and loans from Innovation Norway, in addition to non-current lease liabilities related to the Group's leased vessels, AUVs and office buildings.

Total current liabilities

Total current liabilities mainly comprise trade and other payables, current interest-bearing liabilities related to the Group's seller credits and loans from Innovation Norway, in addition to current lease liabilities for the Group's leased assets.

Total liabilities

Total liabilities are the sum of total non-current and total current liabilities.

11.5 Results of operations

11.5.1 *Results of operations for the six-month period ended 30 June 2024 compared to the six-month period ended 30 June 2023*

Table 12 - Consolidated statement of comprehensive income	**Six-month period ended 30 June**		
(Amounts in USD thousands)	**2024** *IAS 34* *Unaudited*	**Change in %**	**2023** *IAS 34* *Unaudited*
Total revenues and other income	**25,131**	**559 %**	**3,816**
Cost of sales	15,517	206 %	5,074
Gross profit	**9,615**	**865 %**	**-1,257**
Selling, general and administrative expenses	2,488	101 %	1,238
Depreciation and amortisation	4,380	126 %	1,935
Total operating expenses	**6,868**	**116 %**	**3,172**
Operating profit (loss)/EBIT	**2,746**	**162 %**	**-4,430**
Net financial items	-1,672	-494 %	424
Income tax expense	-2	-102 %	77
Net profit (loss) for the period	**1,076**	**126 %**	**-4,083**

Total revenues and other income

Total revenues and other income for the six-month period ended 30 June 2024 increased by USD 21.3 million, or 559%, from USD 3.8 million for the six-month period ended 30 June 2023 to USD 25.1 million for the six-month period ended 30 June 2024. The increase in revenue was primarily driven by a growth in revenue from contracts with customers of USD 21.5 million, mainly arising from revenue recognition related to the deep-water mineral survey with India's National Centre for Polar and Ocean Research (NCPOR) in the Indian Ocean, the contract with TotalEnergies in Namibia, and from the Hugin 6000 AUV which has been on a long-term contract since September 2022.

Cost of sales

Costs of sales for the six-month period ended 30 June 2024 increased by USD 10.4 million, or 206%, from USD 5.1 million for the six-month period ended 30 June 2023 to USD 15.5 million for the six-month period ended 30 June 2024. The increase was primarily due to higher activity during the first six months of 2024 compared to 2023, in addition to higher operating cost in the areas of operation.

Gross profit

Gross profit for the six-month period ended 30 June 2024 was USD 9.6 million compared to a gross loss of USD 1.3 million for the six-month period ended 30 June 2023. The increased gross profit of USD 10.9 million, or 865%, was primarily driven by the factors explained above.

Selling, general and administrative expenses

Selling, general and administrative expenses for the six-month period ended 30 June 2024 increased by USD 1.3 million, or 101%, from USD 1.2 million for the six-month period ended 30 June 2023 to USD 2.5 million for the six-month period ended 30 June 2024. The increase mainly reflects a build-up of the organization to handle more activity with Argeo Venture coming into operation in 2024.

Impairment

The Group did not recognize any impairment expenses for the six-month period ended 30 June 2024 or 30 June 2023.

Depreciation and amortization

Depreciation and amortization for the six-month period ended 30 June 2024 increased by USD 2.4 million, or 126%, from USD 1.9 million for the six-month period ended 30 June 2023 to USD 4.4 million for the six-month period ended 30 June 2024. The increase primarily reflects depreciation of Argeo Venture (purchased in Q4 2023), and depreciation of right-of-use assets related to two Hugin Superior AUVs (delivered in Q4 2023 and Q1 2024).

Operating profit (loss)/EBIT

Operating profit for the six-month period ended 30 June 2024 was USD 2.8 million compared to an operating loss of USD 4.4 million for the six-month period ended 30 June 2023. The increased profit of USD 7.2 million, or 162%, was primarily driven by the factors described above.

Net financial items

For the six-month period ended 30 June 2024, the Group had a net financial expense of USD 1.7 million compared to net financial income of USD 0.4 million for the six-month period ended 30 June 2023. The increased expense was mainly related to interest expense on the liability related to the lease of the two Hugin Superior AUVs delivered in Q4 2023 and Q1 2024, in addition to the Argeo Venture loan. The overall increased expense was somewhat offset by increased net exchange gains for the six-month period ended 30 June 2024 compared to the same period in 2023.

Income tax expense

Income tax expense for the six-month period ended 30 June 2024 was USD 2 thousand compared to a tax income of USD 0.1 million for the six-month period ended 30 June 2023.

Net profit (loss)

For the six-month period ended 30 June 2024, the Group had a net profit of USD 1.1 million compared to a net loss of USD 4.1 million for the six-month period ended 30 June 2023. The increase of USD 5.2 million, or 126%, was primarily driven by the factors described above.

11.5.2 *Results of operations for the year ended 31 December 2023 compared to the year ended 31 December 2022*

Table 13 - Consolidated statement of comprehensive income	**Year ended 31 December**		
(Amounts in USD thousands)	**2023** *IFRS* *Audited*	**Change in %**	**2022** *IFRS* *Audited*
Total revenues and other income	**10,126**	**191 %**	**3,485**
Cost of sales	14,541	**157 %**	5,666
Gross profit	**-4,415**	**-102 %**	**-2,181**
Selling, general and administrative expenses	1,859	**-37 %**	2,970
Impairment	2,700	**100 %**	-
Depreciation and amortisation	4,689	**228 %**	1,431
Total operating expenses	**9,248**	**110 %**	**4,401**
Operating profit (loss)/EBIT	**-13,663**	**-108 %**	**-6,582**
Net financial items	**-3,193**	**-159 %**	**-1,234**
Income tax expense	-79	**-93 %**	-1,109
Net profit (loss) for the year	**-16,935**	**-90 %**	**-8,926**

Total revenues and other income

Total revenue and other income for the year ended 31 December 2023 increased by USD 6.6 million, or 191%, from USD 3.5 million for the year ended 31 December 2022 to USD 10.1 million for the year ended 31 December 2023. The increase was primarily driven by a growth in revenue from customer contracts of USD 3.7 million, mainly resulting from revenue recognition related to a survey contract with Stromar in Scotland and a deep-sea survey in Norway for the Norwegian Petroleum Directorate. Further, revenue from rental of AUVs contributed to USD 2.9 million of the overall increase in total revenues and other income.

Cost of sales

Costs of sales for the year ended 31 December 2023 increased by USD 8.9 million, or 157%, from USD 5.7 million for the year ended 31 December 2022 to USD 14.5 million for the year ended 31 December 2023. The increase was primarily driven by higher sales revenues, leading to increased cost of sales. Specifically, the Group's operating cost increased by USD 9.1 million, reflecting higher fuel expenses and charter hire rates, in addition to increased salaries for field operators.

Gross profit

Gross loss for the year ended 31 December 2023 was USD 4.4 million compared to a gross loss of USD 2.2 million for the year ended 31 December 2022. The increased loss of USD 2.2 million, or 102%, was mainly due to the factors explained above.

Selling, general and administrative expenses

Selling, general and administrative expenses for the year ended 31 December 2023 decreased by USD 1.1 million, or 37%, from USD 3.0 million for the year ended 31 December 2022 to USD 1.9 million for the year ended 31 December 2023. The decrease was primarily driven by exchange rate fluctuations between NOK and USD in addition to higher activity leading to increased operational cost during 2023 compared to 2022.

Impairment

In 2023 an impairment indicator was identified for two AUVs which were in lay-up and not in operational use. The AUVs did not have a foreseeable date for reactivation, and an impairment test was performed. An impairment charge of USD 2.7 million was determined based on a fair value approach. The Group did not recognize any impairment losses in 2022.

Depreciation and amortisation

Depreciation and amortisation for the year ended 31 December 2023 increased by USD 3.3 million, or 228%, from USD 1.4 million for the year ended 31 December 2022 to USD 4.7 million for the year ended 31 December 2023. The change was primarily driven by increased depreciation of property, plant and equipment of USD 2 million, reflecting the purchase of the vessel SW Bell (renamed Argeo Venture) from Shearwater in November 2023, in addition to reactivation and upgrading cost. Further, depreciation of right-of-use assets increased by USD 1.2 million, reflecting the vessel Argeo Searcher which came on charter in January 2023, and the delivery of a Hugin Superior in November 2023.

Operating profit (loss)/EBIT

Operating loss for the year ended 31 December 2023 was USD 13.7 million compared to an operating loss of USD 6.6 million for the year ended 31 December 2022. The increased loss of USD 7.1 million, or 108%, was primarily driven by the factors described above.

Net financial items

For the year ended 31 December 2023, the Group had a net financial expense of USD 3.2 million compared to a net financial expense of USD 1.2 million for the year ended 31 December 2022. The increased expense was mainly due to increased foreign exchange losses of USD 1 million. In addition, the delivery of the Hugin Superior (interest expenses on lease liabilities) contributed USD 0.7 million to the overall increase in the Group's net financial expense.

Income tax expense

Income tax expense for the year ended 31 December 2023 was USD 0.1 million compared to USD 1.1 million for the year ended 31 December 2022.

Net profit (loss)

The Group's net loss for year ended 31 December 2023 was USD 16.9 million, compared to a net loss of USD 8.9 million for the year ended 31 December 2022. The increased loss of USD 8.0 million, or 90%, was primarily driven by the factors described above.

11.5.3 *Results of operations for the year ended 31 December 2022 compared to the year ended 31 December 2021*

Table 14 - Consolidated statement of comprehensive income	Year ended 31 December

(Amounts in USD thousands)	**2022** *IFRS Audited*	**Change in %**	**2021** *IFRS Audited*
Total revenues and other income	**3,485**	**89 %**	**1,842**
Cost of sales	5,666	**80 %**	3,147
Gross profit	**-2,181**	**-67 %**	**-1,305**
Selling, general and administrative expenses	2,970	**70 %**	1,747
Depreciation and amortisation	1,431	**531 %**	227
Total operating expenses	**4,401**	**123 %**	**1,973**
Operating profit (loss)/EBIT	**-6,582**	**-101 %**	**-3,279**
Net financial items	**-1,234**	**-4757 %**	**-25**
Income tax expense	-1,109	**-197 %**	1,148
Net profit (loss) for the year	**-8,926**	**-314 %**	**-2,156**

Total revenues and other income

Total revenue and other income for the year ended 31 December 2022 increased by USD 1.6 million, or 89%, from USD 1.8 million for the year ended 31 December 2021 to USD 3.5 million for the year ended 31 December 2022. The increase was primarily driven by a growth in revenue from rental of AUVs of USD 1.6 million, in addition to increased revenue from customer contracts of USD 0.1 million.

Cost of sales

Costs of sales for the year ended 31 December 2022 increased by USD 2.5 million, or 80%, from USD 3.1 million for the year ended 31 December 2021 to USD 5.7 million for the year ended 31 December 2022. The increase reflects the growth in total revenues and other income of 89% and was primarily driven by higher operating costs (increase of USD 2.8 million) related to field operator salaries, consultancy fees and charter hire costs. Further, salaries and social expenses increased by USD 1.6 million, reflecting a growth of 14 full-time employees from 2021 to 2022. The overall increase in cost of sales was somewhat offset by a decrease in capitalised costs of USD 2.0 million.

Gross profit

Gross loss for the year ended 31 December 2022 was USD 2.2 million compared to a gross loss of USD 1.3 million for the year ended 31 December 2021. The increased loss of USD 0.9 million, or 67%, was mainly due to the factors described above.

Selling, general and administrative expenses

Selling, general and administrative expenses for the year ended 31 December 2022 increased by USD 1.2 million, or 70%, from USD 1.7 million for the year ended 31 December 2021 to USD 3 million for the year ended 31 December 2022. The increase was primarily driven by higher salaries and social expense of USD 1 million, reflecting an increase of 14 full-time employees from 2021 to 2022.

Impairment

The Group did not recognise any impairment losses in 2022 or 2021.

Depreciation and amortization

Depreciation and amortization for the year ended 31 December 2022 increased by USD 1.2 million, or 531%, from USD 0.2 million for the year ended 31 December 2021 to USD 1.4 million for the year ended 31 December 2022. The increase was mainly driven by higher depreciation reflecting the Group's significant fleet expansion through the delivery of two SeaRaptor 6000 AUVs, one Hugin 6000 AUV and the Argeo Argus USV during 2022.

Operating profit (loss)/EBIT

Operating loss for the year ended 31 December 2022 was USD 6.6 million compared to an operating loss of USD 3.3 million for the year ended 31 December 2021. The increased loss of USD 3.3 million, or 101%, was mainly driven by the factors described above.

Net financial items

For the year ended 31 December 2022, the Group had a net financial expense of USD 1.2 million compared to a net financial expense of USD 0.03 million for the year ended 31 December 2021. The increased expense of USD 1.2 million was mainly driven by increased interest expenses of USD 0.6 million, reflecting the Group's seller credits related to purchases of AUVs, in addition to increased interest on the loans from Innovation Norway. Further, foreign exchange losses increased by USD 0.4 million, reflecting the impact of exchange rate fluctuations between NOK and USD.

Income tax expense

Income tax expense for the year ended 31 December 2022 was USD 1.1 million compared to a tax income of USD 1.1 million for the year ended 31 December 2021.

Net profit (loss)

For the year ended 31 December 2022, the Group had a net loss of USD 8.9 million compared to a net loss of USD 2.2 million for the year ended 31 December 2021. The increased loss of USD 6.8 million, or 314%, was primarily driven by the factors described above.

11.6 Financial position

11.6.1 *Financial position as of 30 June 2024 compared to 30 June 2023*

Table 15 – Compare financial position 2024 vs 2023	**As at 30 June**		**As at 31 December**
(Amounts in USD thousands)	**2024** *IAS 34* *Unaudited*	**Change in %**	**2023** *IFRS* *Audited*
Total non-current assets	82,258	39 %	59,347
Total current assets	24,256	98 %	12,254
Total assets	**106,514**	**49 %**	**71,601**
Total equity	41,774	19 %	35,010
Total non-current liabilities	34,626	92 %	18,053
Total current liabilities	30,113	62 %	18,537
Total liabilities	**64,739**	**77 %**	**36,590**
Total equity and liabilities	**106,514**	**49 %**	**71,601**

Total assets

The Group had total assets of USD 106.5 million as of 30 June 2024, compared to USD 71.6 million as of 31 December 2023.

Total non-current assets

Total non-currents assets as of 30 June 2024 was USD 82.3 million (31 December 2023: USD 59.3 million), mainly comprising of property, plant and equipment of USD 49.2 million (31 December 2023: USD 36.3 million), right-of-use assets of USD 28.4 million (31 December 2023: USD 18.5 million) and intangible assets of USD 4.3 million (30 June 2023: USD 3.8 million).

The increase in total non-current assets of USD 22.9 million, or 39%, was primarily driven by increased property, plant and equipment of USD 13 million, mainly reflecting reactivation and upgrade cost for the vessel Argeo Venture. In addition, right-of-use assets increased by USD 10 million, primarily due to the delivery of a second Hugin Superior in Q1 2024. The overall increase in total non-current assets was somewhat offset by a decrease in multi-client inventory of USD 0.3 million (amortisation expense) and a decrease in the Group's investment in joint venture of USD 0.2 million. In May 2024, the Group signed an agreement with Multiconsult for the purchase of 50% of the shares in H1000 JV AS, resulting in 100% ownership.

Total current assets

Total current assets as of 30 June 2024 was USD 24.3 million (31 December 2023: USD 12.3 million), mainly comprising trade receivables of USD 8.7 million (31 December 2023: USD 0.2 million), other receivables of USD 8.9 million (31 December 2023: USD 4.1 million), other current assets of USD 3.6 million (31 December 2023: USD 2.1 million), and cash and cash equivalents of USD 2.7 million (31 December 2023: USD 5.3 million).

The increase in total current assets of USD 12 million, or 98%, was primarily driven by an increase in trade receivables of USD 8.5 million. Further, other receivables increased by USD 4.8 million, mainly reflecting prepayments related to the contract with TotalEnergies in Namibia. In addition, other current assets increased by USD 1.5 million, primarily due to an increase in contract fulfilment assets (accrued mobilisation costs). The overall increase in total current assets was somewhat offset by a decrease in cash and cash equivalents of USD 2.6 million, primarily driven by investment activities related to reactivation and upgrade cost for the vessel Argeo Venture.

Total equity

Total equity increased from USD 35 million as of 31 December 2023 to USD 41.8 million as of 30 June 2024. The increase of USD 6.8 million, or 19%, mainly reflects proceeds from issuance of equity of USD 7.1 million, in addition to a net profit for the period of USD 1.1 million. The overall increase in total equity was somewhat offset by translation differences of negative USD 1.7 million.

Total liabilities

The Group had total liabilities of USD 64.7 million as of 30 June 2024, compared to USD 36.6 million as of 31 December 2023.

Total non-current liabilities

Total non-current liabilities as of 30 June 2024 was USD 34.6 million (31 December 2023: USD 18.1 million), mainly comprising non-current lease liabilities of USD 19.1 million (31 December 2023: USD 13.1 million) and non-current interest-bearing liabilities of USD 15.6 million (31 December 2023: USD 4.9 million).

The increase in total non-current liabilities of USD 16.6 million, or 92%, was primarily driven by an increase in non-current interest-bearing liabilities of USD 10.6 million, mainly reflecting sale-and-leaseback transaction in February 2024 involving the Company's vessel Argeo Venture. The transaction has been accounted for as a financing arrangement. As of 30 June 2024, the non-current portion of the loan was USD 11.5 million. Further, non-current lease liabilities increased by USD 6 million, primarily reflecting the non-current portion of the lease liability related to the second Hugin Superior delivered in Q1 2024.

Total current liabilities

Total current liabilities as of 30 June 2024 was USD 30.1 million (31 December 2023: USD 18.5 million), mainly comprising trade payables of USD 13.9 million (31 December 2023: USD 6.5 million), current lease liabilities of USD 7.6 million (31 December 2023: USD 4.8 million), other current liabilities of USD 3.9 million (31 December 2023: USD 2.3 million), and current interest-bearing liabilities of USD 3.8 million (31 December 2023: USD 2.4 million)

The increase in total current liabilities of USD 11.6 million, or 77%, was mainly driven by an increase in trade payables of USD 7.5 million. Further, current lease liabilities increased by USD 2.8 million, mainly reflecting the current portion of the lease liability related to the second Hugin Superior delivered in Q1 2024. In addition, current interest-bearing liabilities increased by USD 1.4 million, reflecting the current portion of the Argeo Venture loan as described above. The overall increase in total current liabilities was somewhat offset by a decrease in the Group’s contract liabilities of USD 2.3 million, reflecting the Group’s performance under contracts with customers.

11.6.2 *Financial position as of 31 December 2023 compared to 31 December 2022*

Table 16 – Compare financial position 2023 vs 2022	**As at 31 December**		
(Amounts in USD thousands)	**2023** *IFRS* *Audited*	**Change in %**	**2022** *IFRS* *Audited*
Total non-current assets	59,347	144 %	24,347
Total current assets	12,254	45 %	8,458
Total assets	**71,601**	**118 %**	**32,805**
Total equity	35,010	140 %	14,604
Total non-current liabilities	18,053	279 %	4,766
Total current liabilities	18,537	38 %	13,435
Total liabilities	**36,590**	**101 %**	**18,201**
Total equity and liabilities	**71,601**	**118 %**	**32,805**

Total assets

The Group had total assets of USD 71.6 million as of 31 December 2023, compared to USD 32.8 million as of 31 December 2022.

Total non-current assets

Total non-currents assets as of 31 December 2023 was USD 59.3 million (31 December 2022: USD 24.3 million), mainly comprising property, plant and equipment of USD 36.3 million (31 December 2022: USD 20.9 million), right-of-use assets of USD 18.5 million (31 December 2022: USD 0.4 million) and intangible assets of USD 3.8 million (31 December 2022: USD 2.5 million). The increase in non-current assets was primarily driven by increased right-of-use assets of USD 18.1 million, mainly reflecting the vessel Argeo Searcher, which came into charter in January 2023, and the delivery of the Hugin Superior AUV in November 2023. Further, property, plant and equipment increased by USD 15.4 million, primarily due to the acquisition of Argeo Venture in November 2023, in addition to reactivation and upgrading cost. Intangible assets increased by USD 1.3 million, mainly related to development of a 3D Geological modelling system, Argeo's digital twin solution Argeo Scope, and various sensor solutions.

Total current assets

Total current assets as of 31 December 2023 was USD 12.3 million (31 December 2022: USD 8.5 million), mainly comprising cash and cash equivalents of USD 5.3 million (31 December 2022: USD 2.2 million), other receivables of USD 4.1 million (31 December 2022: USD 4.6 million) and other current assets of USD 2.1 million (31 December 2022: nil). The increase in current assets of USD 3.8 million was primarily driven by an increase in cash and cash equivalents of USD 3.2 million. In addition, other current assets increased by USD 2.1 million, mainly reflecting the recognition of contract fulfilment assets of USD 1.1 million and increased manufacturing supplies. The overall increase in total current assets was somewhat offset by a reduction in other receivables of USD 0.5 million.

Total equity

Total equity increased from USD 14.6 million as of 31 December 2022 to USD 35 million as of 31 December 2023. The increase of USD 20.4 was primarily driven by proceeds from issue of share capital of USD 36.2 million, somewhat offset by a net loss for the year of USD 16.9 million.

Total liabilities

The Group had total liabilities of USD 36.6 million as of 31 December 2023, compared to USD 18.2 million as of 31 December 2022.

Total non-current liabilities

Total non-current liabilities as of 31 December 2023 was USD 18.1 million (31 December 2022: USD 4.8 million), mainly comprising non-current interest-bearing liabilities of USD 4.9 million (31 December 2022: USD 4.6 million) and non-current lease liabilities of USD 13.1 million (31 December 2022: USD 0.2 million). The increase in non-current lease liabilities of USD 13 million reflects the vessel Argeo Searcher, which came into charter in January 2023, and the delivery of the Hugin Superior AUV in November 2023.

Total current liabilities

Total current liabilities as of 31 December 2023 was USD 18.5 million (31 December 2022: USD 13.4 million), comprising trade payables of USD 6.5 million (31 December 2022: USD 2.4 million), other current liabilities of USD 2.3 million (31 December 2022:

USD 5.5 million), contract liabilities of USD 2.2 million (31 December 2022: nil), current lease liabilities of USD 4.8 million (31 December 2022: USD 0.3 million), and current-interest bearing liabilities of USD 2.4 million (31 December 2022: USD 4.4 million). The overall increase in total current liabilities of USD 5.1 million was primarily driven by increased trade payables of USD 4 million, current lease liabilities of USD 4.5 million and contract liabilities of USD 2.2 million. The overall increase was offset by a decrease in current interest-bearing liabilities and other current liabilities by USD 2 million and USD 3.2 million, respectively.

11.6.3 *Financial position as of 31 December 2022 compared to 31 December 2021*

Table 17 – Compare financial position 2022 vs 2021	**As at 31 December**		
(Amounts in USD thousands)	**2022** *IFRS Audited*	**Change in %**	**2021** *IFRS Audited*
Total non-current assets	24,347	543 %	3,789
Total current assets	8,458	-47 %	15,947
Total assets	**32,805**	**66 %**	**19,735**
Total equity	14,604	-13 %	16,694
Total non-current liabilities	4,766	375 %	1,004
Total current liabilities	13,435	559 %	2,038
Total liabilities	**18,201**	**498 %**	**3,041**
Total equity and liabilities	**32,805**	**66 %**	**19,735**

Total assets

The Group had total assets of USD 32.8 million as of 31 December 2022, compared to USD 19.7 million as of 31 December 2021.

Total non-current assets

Total non-currents assets as of 31 December 2022 was USD 24.3 million (31 December 2021: USD 3.8 million), mainly comprising property, plant and equipment of USD 20.9 million (31 December 2021: USD 0.5 million), intangible assets of USD 2.5 million (31 December 2021: USD 0.9 million) and right-of-use assets of USD 0.4 million (31 December 2021: USD 0.7 million). The increase in property, plant and equipment of USD 20.4 million was primarily driven by the Group's significant fleet expansion through the delivery of two SeaRaptor 6000 AUVs, one Hugin 6000 AUV and the Argeo Argus USV during 2022. The increase in intangible assets of USD 1.6 million reflects capitalized costs related to development of a 3D Geological modelling system, Argeo's digital twin solution "Argeo Scope", and various sensor solutions The overall increase was somewhat offset by a decrease in deferred tax assets.

Total current assets

Total current assets as of 31 December 2022 was USD 8.5 million (31 December 2021: USD 15.9 million), comprising other receivables of USD 4.6 million (31 December 2021: USD 7.9 million), cash and cash equivalents of USD 2.2 million (31 December 2021: USD 7.5 million), and trade receivables of USD 1.7 million (31 December 2021: USD 0.5 million). The decrease in total current assets of USD 7.5 million was primarily driven by a decrease in cash and cash equivalents of USD 5.3 million, mainly reflecting the Group's significant fleet expansion during 2022. Further, other receivables decreased by USD 3.3 million, reflecting the reversal of prepayments for assets ordered in 2021 and delivered in 2022. The overall decrease in total current assets was somewhat offset by an increase in trade receivables of USD 1.2 million.

Total equity

Total equity decreased from USD 16.7 million as of 31 December 2021 to USD 14.6 million as of 31 December 2022. The decrease of USD 2.1 million primarily reflects a net loss for the year of USD 8.9 million in addition to an exchange loss on translation of foreign operations of USD 1.8 million. The overall decrease in equity was somewhat offset by proceeds from issue of share capital of USD 8.5 million.

Total liabilities

The Group had total liabilities of USD 18.2 million as of 31 December 2022, compared to USD 3 million as of 31 December 2021.

Total non-current liabilities

Total non-current liabilities as of 31 December 2022 was USD 4.8 million (31 December 2021: USD 1.0 million), mainly comprising non-current interest-bearing liabilities of USD 4.6 million (31 December 2021: USD 0.5 million) and non-current lease liabilities of USD 0.2 million (31 December 2021: USD 0.4 million). The increase in total non-current liabilities of USD 3.8 million was primarily driven by the increase in non-current interest-bearing liabilities of USD 4.1 million, reflecting the non-current portion of the Group's seller credits related to purchases of AUVs.

Total current liabilities

Total current liabilities as of 31 December 2022 was USD 13.4 million (31 December 2021: USD 2.0 million), mainly comprising current-interest bearing liabilities of USD 4.4 million (31 December 2021: USD 0.2 million), trade payables of USD 2.4 million (31

December 2021: USD 0.7 million), other current liabilities of USD 5.5 million (31 December 2021: USD 0.5 million), and current provisions of USD 0.8 million (31 December 2021: USD 0.4 million). The increase in total current liabilities of USD 11.4 million was mainly driven by an increase in other current liabilities of USD 5 million, primarily reflecting unpaid share capital of USD 3.6 million from the share issue made in December 2022. Further, the increase in current interest-bearing liabilities of USD 4.3 million reflects the current portion of the Group's seller credits related to the purchases of AUVs.

11.7 Liquidity and capital resources

11.7.1 *Sources of liquidity*

The Group's primary source of liquidity in 2021 and up to the date of this Prospectus has been cash and cash equivalents, mainly derived from issuance of equity and loans from Innovation Norway. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents, seeking the availability of equity funding and debt funding, and by continuously monitoring forecasts and actual cash flows.

11.7.2 *Restrictions on use of capital*

The Group does not have any restrictions on use of capital that can have a material impact on the Group's operations.

For more information about the Group's financing arrangements, see Section 11.7.7 *"Financing arrangements"*.

11.7.3 *Summarized cash flow information*

The following table presents the Group's historical cash flows for the years ended 31 December 2023, 2022 and 2021, as well as for the six-month periods ended 30 June 2024 and 2023.

Table 18 - Statement of cash flows	**Six-month period ended 30 June**		**Year ended 31 December**		
(In USD thousands)	**2024** *IAS 34 Unaudited*	**2023** *IAS 34 Unaudited*	**2023** *IFRS Audited*	**2022** *IFRS Audited*	**2021** *IFRS Audited*
Net cash flow from operating activities	132	-4,204	-4,229	4,243	-11,139
Net cash flow from investing activities	-15,896	-2,762	-22,828	-26,635	-399
Net cash flow from financing activities	13,201	5,941	30,264	18,148	18,377
Net change in cash and cash equivalents	**-2,564**	**-1,026**	**3,207**	**-4,243**	**6,839**
Cash and cash equivalents end of period	**2,701**	**1,147**	**5,340**	**2,163**	**7,468**

11.7.4 *Cash flow from operating activities*

Net cash flow from operating activities for the six-month period ended 30 June 2024 was USD 0.1 million compared to a net cash outflow of USD 4.2 million for the six-month period ended 30 June 2023. The net cash flow for the six-month period ended 30 June 2024 was primarily driven by changes in trade payables of USD 7.5 million and a profit before tax of USD 1.1 million, offset by changes in trade and other receivables of USD 13.3 million.

Net cash outflow from operating activities for the year ended 31 December 2023 was USD 4.2 million compared to a net cash flow of USD 4.2 million for the year ended 31 December 2022. The increased cash outflow in 2023 was primarily driven by an increased loss before tax of USD 9 million, in addition to a change in contract liabilities and other current liabilities of negative USD 6 million.

Net cash flow from operating activities for the year ended 31 December 2022 was USD 4.2 million, compared to a net cash outflow of USD 11.1 million for the year ended 31 December 2021. The net cash outflow in 2021 was affected by a prepayment of NOK 65.2 million for two SeaRaptor 6000 AUVs and one USV ordered for delivery in 2022.

11.7.5 *Cash flow from investing activities*

Net cash outflow from investing activities for the six-month period ended 30 June 2024 was USD 15.9 million compared to USD 2.8 million for the six-month period ended 30 June 2023. Net cash outflow from financing activities for the six-month period ended 30 June 2024 was primarily driven by purchase of property, plant and equipment of USD 15.5 million, mainly reflecting reactivation and upgrade cost for the vessel Argeo Venture. The Group also incurred development expenditures of USD 0.6 million related to the development of the digital twin solution "Argeo Scope", and various sensor solutions.

Net cash outflow from investing activities for the year ended 31 December 2023 was USD 22.8 million, compared to USD 26.6 million for the year ended 31 December 2022. Net cash outflow from investing activities in 2023 was mainly driven by the purchase of property, plant and equipment of USD 21.1 million, primarily reflecting the purchase of Argeo Venture in addition to reactivation and upgrading cost. The Group also incurred development expenditures of USD 1.5 million related to the development of a 3D Geological modelling system, Argeo's digital twin solution "Argeo Scope", and various sensor solutions.

Net cash outflow from investing activities for the year ended 31 December 2022 was USD 26.6 million, compared to USD 0.4 million for the year ended 31 December 2021. The increase in cash outflow from investing activities mainly reflects the Group's significant fleet expansion during 2022, including the delivery of two SeaRaptor 6000 AUVs, one Hugin 6000 AUV and the Argeo Argus USV. In addition, the Group had development expenditures of USD 1.9 million related to the development of a 3D Geological modelling system, Argeo's digital twin solution "Argeo Scope", and various sensor solutions.

11.7.6 *Cash flow from financing activities*

Net cash flow from financing activities for the six-month period ended 30 June 2024 was USD 13.2 million compared to USD 5.9 million for the six-month period ended 30 June 2023. Net cash flow from financing activities for the six-month period ended 30 June 2024 was mainly driven by proceeds from long-term debt of USD 14 million, reflecting the Argeo Venture loan. Further, proceeds from issuance of equity was USD 7.1 million. The net cash flow from financing activities was somewhat offset by lease payments (principal and interest expense) of USD 5.1 million, mainly reflecting the Group's lease of two Hugin Superior AUVs, charter of the vessel Argeo Searcher and lease of office space. Further, repayments of long-term debt related to the Group's loans from Innovation Norway and the seller credits related to purchases of AUVs was USD 1.8 million.

Net cash flow from financing activities for the year ended 31 December 2023 was USD 30.3 million compared to USD 18.1 million for the year ended 31 December 2022. Net cash flow from financing activities in 2023 was primarily driven by proceeds from issue of share capital of USD 36.2 million. In addition, the Group received proceeds from new long-term debt, mainly related to a NOK 20 million loan from Innovation Norway. The overall increase in net cash flow from financing activities was somewhat offset by repayments of long-term debt of USD 5.3 million and cash payments for the lease of the Hugin Superior AUV, charter of the vessel Argeo Searcher and lease of office spaces of USD 2.9 million.

Net cash flow from financing activities for the year ended 31 December 2022 was USD 18.2 million, compared to USD 18.4 million for the year ended 31 December 2021. Net cash flow from financing activities in 2022 was mainly driven by proceeds from long-long-term debt of USD 12.7 million, in addition to proceeds from issue of share capital of USD 8.5 million. The net cash outflow was somewhat offset by repayments of long-term debt of USD 2.6 million related to the Group's loans from Innovation Norway and the seller credits related to purchases of AUVs. In addition, cash payments related to leasing of office buildings were USD 0.2 million.

11.7.7 *Financing arrangements*

Loans

As at the date of this Prospectus, the Company has three loans from Innovation Norway with floating rate, all currently bearing an interest at 8.20%. Innovation Norway may adjust the interest rate with six weeks' notice upon changes in underlying rates. All three loans are secured with machinery and plant in Argeo Survey AS, Argeo ASA and Argeo Robotics. Further, the loans are secured with a parent company guarantee from Argeo AS, trade receivables in Argeo Survey AS and 50% of the shares in H1000 JV AS. As of 30 June 2024, the carrying amount of the loans was USD 2.1 million.

Seller credits

The Group has seller credits related to the purchases of AUVs amounting to USD 4.3 million as of 30 June 2024.

Sale-leaseback arrangement

In February 2023 the Group entered a sale-leaseback transaction involving the vessel Argeo Venture. As of 30 June 2024, the Group's liability related to the financing agreement was USD 12.9 million.

11.8 Financial risk and capital management

For a description of the Group's financial risk management, please see note 6.7 of the Financial Statements, appended as Appendix B.

11.9 Alternative performance measures on a reconciled basis

The table below set out EBITDA presented by the Group in this Prospectus on an annual basis. The table below shows the relevant APM on a reconciled basis, to provide investors with an overview of the basis of calculation of such APMs. See Section 4.2.4 "*Alternative performance measures*" above for a further description of the APM presented below. The figures presented in the reconciliation table below are derived from the Financial Statements.

Please note that other companies may not calculate the APMs in the same manner and, as a result, the presentation thereof may not be fully comparable to measures used by other companies under the same or similar titles. Accordingly, undue reliance should not be placed on the APMs contained in this Prospectus and they should not be considered as a substitute for revenue or other financial metrics.

Table 19- Reconciliation of EBITDA	Three-month period ended 30 June	Six-month period ended 30 June	Year ended 31 December

(Amounts in USD thousands)	2024	2023	2024	2023	2023	2022	2021
Total revenues and other income	15,664	1,379	25,131	3,816	10,126	3,485	1,842
Cost of sales	10,188	2,383	15,517	5,074	14,541	5,666	3,147
Selling, general and administrative expenses	1,258	570	2,488	1,238	1,859	2,970	1,747
EBITDA	**4,217**	**-1,574**	**7,126**	**-2,495**	**-6,274**	**-5,151**	**-3,052**
EBITDA margin	**27%**	**-114%**	**28%**	**-65%**	**-62%**	**-148%**	**-166%**

11.10 Investments

11.10.1 *Historical investments*

Investments in 2021

The Group's investments in 2021 were primarily related to prepayments of two SeaRaptor 6000 AUVs and one USV (NOK 59.7 million and NOK 6.5 million, respectively). The assets were delivered in 2022.

Investments in 2022

The Group's investments in 2022 were primarily related to the purchase of a Hugin 6000 AUV from Kongsberg Maritime of USD 7.3 million. In addition, the Group had development expenditures of USD 1.9 million related to the development of a 3D Geological modelling system, Argeo's digital twin solution "Argeo Scope", and various sensor solutions.

Investments in 2023

The Group's investments in 2023 were primarily related to the purchase of property, plant and equipment of USD 21.1 million, mainly reflecting the purchase of the vessel Argeo Venture, including reactivation and upgrading cost. In addition, the Group had development expenditures of USD 1.5 million related to the development of a 3D Geological modelling system, Argeo's digital twin solution "Argeo Scope", and various sensor solutions.

Investments from 1 January 2024 to the date of this Prospectus

In April 2024, the Company completed its conversion upgrade of its vessel Argeo Venture that was acquired from Shearwater in the amount of approx. NOK 139 million. The project was split and finalized in two phases. The first phase involved the reactivation and major steel work carried out at Halsnøy Yard and the second phase involved the installation of the subsea crane and final commissioning at Fjellstrand Yard.

11.10.2 *Investments in progress or for which firm commitments have already been made*

Argeo intends in general to expand its fleet with vessels, AUVs, and ROVs over the coming years, however, no firm commitments have been made.

11.10.3 *Joint venture and undertakings*

The Group signed in January 2021 an agreement with Multiconsult for strategic cooperation to significantly improve quality for marine surveys and increase construction insight of the seabed conditions for large coastal development projects and offshore structure. As a part of the agreement, the parties established H1000 JV AS, owned 50/50 by Argeo Survey AS and Multiconsult. The Group's interest in H1000 JV AS has been accounted for using the equity method in the consolidated financial statements.

In May 2024, the Group signed an agreement with Multiconsult to acquire the remaining 50% of the shares in H1000 JV AS, resulting in a 100% ownership of the company. Consequently, the strategic cooperation agreement with Multiconsult was terminated.

11.10.4 *Environmental issues affecting the Group's utilization of the tangible fixed assets*

The Group is exposed to changing weather conditions caused by climate change as a result of its operation activities offshore. Impact of severe climate change could cause damage to assets, disrupt operational activities and result in significant costs increase. The Group is also affected by new legislation implemented to safeguard the environment and limit emissions, such as rules and regulations limiting the types and grades of fuel to be used on board vessels, quotas and fees on greenhouse gas emissions and requirements concerning the fuel efficiency of vessels. The low sulphur cap imposed by IMO with effect from 1 January 2020 is one such example. From 2025, offshore vessels exceeding 5000 gross tonnes became part of the European Union's monitoring, reporting and verification regime under the emission trading system, and such vessels will have to surrender allowances from 2028 in respect to emissions during 2027. Vessels exceeding 5000 gross tonnes are also subject to rules concerning carbon intensity indicator as imposed by the International Maritime Organization in 2022. Depending on the type of contract and project, the Group may to some extent be able to shift the cost of compliance onto its customers. But the stricter environmental rules and regulations applicable to shipping and maritime activities will nevertheless have a cost impact on owners and operators, necessitating modifications, upgrades and technical improvements and penalising owners and operators with an elderly fleet of vessels.

Other than above, the Company is not aware of any environmental issues that may have an effect on the utilization of any of the existing tangible fixed assets.

11.11 Related party transactions

Related parties are major shareholders, members of the Board, and the Executive Management team in the Group. Section 13.12 "*Ownership structure*" provides information on the Group's major shareholders. Significant agreements and remuneration of the Management and the Board for the current and prior periods are presented in Section 12 "*Board of directors, management, employees and corporate governance*".

The below table provides the total amount of transactions with related parties (outside the Group) for the relevant financial periods:

Table 20 - Related party transactions	**Year ended 31 December**		
	2023	**2022**	**2021**
Executive Management	762	969	513
Board Member	99	100	78
Total	**861**	**1,069**	**592**

In addition to the above, the Company has entered into a memorandum of agreement and a LOI for a capacity agreement with Shearwater as part of the Strategic Alliance, as further described in Section 8.8 "*Patens, contracts, licenses, etc*" and Section 2.1.8 "*Risk associated with the strategic partnership with Shearwater and the integration of Argeo Venture*".

All transactions within the Group or with other related parties are based on the principle of arm's length.

11.12 Critical accounting policies and estimates

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. The accounting policies applied by management, which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognised in the financial statements, are:

<u>Estimates and assumptions</u>

- Recognition and measurement of deferred tax assets
- Estimating fair value for share-based payments transactions

The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

<u>Accounting judgements</u>

- Combined contracts under IFRS 16

The Group's general accounting policies are summarised in note 1.3 in the Financial Statements, attached hereto as Appendix B.

11.13 Significant changes

On 19 August 2024, a sale and purchase agreement was entered into between Teledyne Gavia, ehf. (as buyer) and Argeo Survey (as seller) for the sale of the two SeaRaptor 6000 AUVs, for a total consideration of approximately USD 7 million. Pursuant to the terms of the agreement, the transaction shall be consummated on as "as is, where is" basis and the purchase price shall be settled in four instalments in a period from 19 August 2024 to and including 14 February 2025.

Other than that, there have been no significant changes in the Group's financial position or financial performance since the financial period ended 30 June 2024 and up to the date of this Prospectus.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Company's highest decision-making authority is the general meeting of shareholders. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO, is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

12.2 Board of Directors

12.2.1 *Overview*

The Company's Articles of Association provide that the Board of Directors shall consist of between five (5) to eight (8) board members elected by the Company's shareholders. Please find details regarding the Company's members of the Board of Directors and deputy board members, as at the date of this Prospectus, in the table below:

Table 21 – Overview of the members of the Company's Board of Directors

Name	Position	Served since*	Term expires	Shares	Tranche 1 Warrants	Tranche 2 Warrants	2021 Options	2024 Options
Jan P. Grimnes	Chair	15 June 2023	2025	1,358,903(1)	0	0	0	25,000(1)
Nina Bjærum	Board Member	8 October 2024	2026	-	0	0	0	0
Inger Berg Ørstavik	Board Member	8 October 2024	2026	4,761	0	0	0	0
Lars Petter Utseth	Board Member	17 February 2023	2025	8,134,368(3)	0	0	0	25,000
Peter Allan Hooper	Board Member	15 March 2024	2026	4,024,725(4)	0	0	0	25,000(4)
Liam Flood	Board Member, employee representative	30 September 2024	2026	32	0	0	0	18,000
Hugo Lima Santos	Board Member, employee representative	30 September 2024	2026	0	0	0	0	0
Kenneth Gundersen	Deputy Board Member, employee representative	30 September 2024	2026	8,288	0	0	0	16,000
Willy Olafsen	Deputy Board Member, employee representative	30 September 2024	2026	0	0	0	0	0

** The dates reflects when the current term started, i.e. the date of election by the relevant general meeting.*

(1) Held through Redback AS
(2) Held through Eurovest AS
(3) Held and controlled by Kistefos AS, who he represents at the Board of Directors
(4) Held and controlled by Shearwater Geoservices Holding AS, who he represents at the Board of Directors

The Company's registered office at Nye Vakås vei 14, 1395 Hvalstad, Asker, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

12.2.2 *Brief biographies of the Board of Directors*

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

***Jan P. Grimnes** – Chair*

Jan P. Grimnes is the Chair of the Board of Directors of the Company. He also currently serves as Chair of the Board at Geoteric (Foster Findlay Associates Limited) and is a board member of Adrega AS. Mr. Grimnes has extensive board experience, having previously served on the boards of Magseis Fairfield ASA, Fara AS, Q-Free ASA, and SPT Group AS. In 1996, Mr. Grimnes founded Technoguide, the company that developed and commercialized Petrel, the world's leading E&P software. He held dual roles as Chair and CEO of Technoguide. Mr. Grimnes holds a master's degree in petroleum engineering from the Norwegian University of Science and Technology (NTNU) and a master's degree in business/managerial economics from the Norwegian School of Economics (NHH).

Current other directorships and management positions	Directorships: Redback AS, Adrega AS, Geoteric Ltd, Søren Bulls veo 25 Invest AS, Flesland Kontorinvest AS, Espehaugen Eiendomsinvest AS, Woxenlien AS. Management position: Adrega AS (CEO)
Previous directorships and management positions held during the last five years	Directorships: N/A Management position(s): N/A

Nina Bjærum – *Board member*

Nina Bjærum has over 10 years of experience in marine operations and currently serves as the Marine Operations Manager at Global Maritime. She has previously worked as an Installation Analysis Engineer at Subsea7 and as a Tender Engineer at Nexans. Additionally, she has held various board roles. Bjærum holds a Master's degree in Technology (Mechanical Engineering, Applied Mechanics) from the Norwegian University of Science and Technology (NTNU).

Current other directorships and management positions	Directorships: N/A Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: Majorstuen Leiegaarde AS (chair and vice chair) Management position(s): N/A

Inger Ørstavik *– Board member*

Inger Berg Ørstavik is a lawyer with a PhD in law from the University of Oslo. She has worked as an attorney-at-law at the Office of the Attorney General for Civil Affairs in Norway and as a senior lawyer and partner in Schjødt's intellectual property and litigation team. Currently, she serves as a professor in the Department of Private Law at the University of Oslo.

Current other directorships and management positions	Directorships: Nordic Semiconductor ASA Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: REC Silicon ASA Management position(s): N/A

Lars Petter Utseth *– Board member*

Lars Petter Utseth is a Board Member, representing Kistefos AS' ownership in the Company. Mr. Utseth joined Kistefos in 2019. Prior to joining Kistefos, Mr. Utseth worked in the Investment Banking Division at SpareBank1 Markets, focusing on M&A and ECM transactions. Mr. Utseth holds a MSc in Finance from the Norwegian School of Economics (NHH).

Current other directorships and management positions	Directorships: Lima Papa Holdings AS, Viking Invest AS, OstomyCure AS, Seram Coatings AS, Viking Supply Ships AB, Lima Papa Holdings AS Management positions: Lima Papa Holdings AS (CEO)
Previous directorships and management positions held during the last five years	Directorships: Lumarine AS, Rødhallen AS, Bygr AS Management positions: Rødhallen AS (CEO)

Peter Allan Hooper *– Board member*

Peter Allan Hooper is a Board Member, representing Shearwater's ownership in the Company. Mr. Hooper holds the position as chief commercial officer of Shearwater. Prior to joining Shearwater, Mr. Hooper held various key roles as inter alia COO and VP

Operations of Dolphin Geophysical AS, senior vice president for operations of Wavefield Inseis ASA, and operations manager/supervisor of Multiwave Geophysical Company AS. In addition, Mr. Hooper is co-founder of EXS Subsea AS and Wavefield Inseis ASA. Mr. Hooper holds a post graduate diploma in hydrographic surveying from University of Plymouth, UK and an Honous Degree in Marine and Fisheries Biology from University of Aberdeen, UK.

Current other directorships and management positions	Directorships: EMWI AS Management positions: GM/CCO of Shearwater Geoservices AS
Previous directorships and management positions held during the last five years	Directorships: Transact AS Management position(s): N/A

Liam Flood - *Board Member, employee representative*

Liam Flood is an employee elected member of the Board of Directors of the Company. Flood has profound expertise in design thinking and business model innovation, particularly related to new, sustainable and digital technologies. He has been employed by Argeo since February 2024 as Project Manager. Prior to joining Argeo, he held various positions, including CEO and Head of Operations at Nordlys.Studio AS, as well as several roles at Magseis Fairfield ASA. He holds a Master of Business Administration from BI Norwegian Business School and a BSc from Newcastle University.

Current other directorships and management positions	Directorships: Novooi AS, SurPlusMap AS, Ideators AS Management positions: N/A
Previous directorships and management positions held during the last five years	Directorships: Aignoix AS Management position(s): Nordlys.Studio AS (CEO)

Hugo Lima Santos - *Board Member, employee representative*

Hugo Lima Santos is an employee elected member of the Board of Directors of the Company. Santos has extensive experience from the international seismic exploration arena. He has been employed as Operations Manager at Argeo since June 2024. Before joining Argeo, Santos held several positions at PGS, including Operations Manager. He is also a founding partner at IM Group Consulting. He holds a BSc from the University of Glamorgan.

Current other directorships and management positions	Directorships: N/A Management positions: N/A
Previous directorships and management positions held during the last five years	Directorships: N/A Management position(s): N/A

12.3 Management

12.3.1 *Overview*

The management of the Company consists of three (3) individuals. Please find details regarding the Company's management, as at the date of this Prospectus, in the table below:

Table 22 – Overview of the members of the Company's management

Name	Position	Employed since	Shares	Tranche 1 Warrants	Tranche 2 Warrants	2021 Options	2024 Options
Trond F. Crantz	Chief Executive Officer (CEO)	September 2017	1,089,316(1)	0	0	0	300,000
Odd Erik Rudshaug	Chief Financial Officer (CFO)	October 2020*	19,357(2)	0	0	0	150,000
Thorbjørn Rekdal	Chief Technical Officer (CTO)	November 2019	366,194(3)	0	0	0	150,000

** Hired as consultant in October 2020 and was employed by the Company in March 2021.*

(1) Held through Ascent AS

(2) Held through OER Consulting AS

(3) Held through Troptima AS

The Company's registered office, at Nye Vakås vei 14, 1395 Hvalstad, Asker, Norway, serves as the business address for the members of the management in relation to their positions in the Company.

12.3.2 *Biographies of the members of management*

The following sets out a brief introduction to each of the members of the Company's management:

Trond F. Crantz *– CEO*

Trond F. Crantz is the CEO and founder of the Company, with over 20 years of experience in global technical, operational, and commercial leadership roles at Schlumberger and PGS. Mr. Crantz holds a degree in robotics and cybernetics, along with an MBA from BI Norwegian Business School.

Current other directorships and management positions	Directorships: Argeo Survey AS, Argeo Robotics AS, Argeo Shipholding AS, H1000 JV AS, Ascent AS, Argeo Services PTE Ltd (Singapore), Argeo Inc (USA), Argeo Subsea Ltd (UK) Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: Crantz Eiendom AS (dissolved) Management position(s): N/A

Odd Erik Rudshaug*– CFO*

Odd Erik Rudshaug is the chief financial officer (CFO) of the Company, with over 35 years of experience in the shipping and oil & gas sectors. Mr. Rudshaug co-founded RXT and served as its CFO, and was also the CFO and co-founder of Seafloor Geophysical Solutions. An addition, Mr. Rudshaug has held several other key positions, including financial controller at PGS, VP business controller in EMGS and CFO of April AS. Mr. Rudshaug holds a Master of Management from BI Norwegian Business School.

Current other directorships and management positions	Directorships: Argeo Services PTE Ltd (Singapore), Argeo Inc (USA), OER Consulting AS, Management position(s): Argeo Survey AS (CFO)
Previous directorships and management positions held during the last five years	Directorships: N/A Management position(s): April AS (CFO)

Thorbjørn Rekdal *– CTO*

Thorbjørn Rekdal is the chief technology officer (CTO) of the Company and brings over 20 years of extensive experience from global leadership positions at PGS, which included among others President of Research, VP of Global Data Processing, Interim Head of Data Processing, Senior VP of Commercialization, and President of Marine Contracts for Europe and the Middle East. Mr. Rekdal also co-founded and was the chair of Kruser AS. Mr. Rekdal holds a PhD in geophysics from the University of Oslo.

Current other directorships and management positions	Directorships: Argeo Survey AS, Argeo Robotics AS, Troptima AS, Argeo Shipholding AS and Argeo Inc. Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: Kruser AS Management position(s): N/A

12.4 Remuneration and benefits

12.4.1 *Remuneration of the Board of Directors*

The below table sets forth the amount of remuneration paid by the Company to its Board Members for the financial year ended 31 December 2023.

Table 23 – Remuneration of the Board of Directors

Name and position	Position	2023 *(In USD thousands)*
Jan P. Grimnes	Chair	28
*Jim Dåtland***	Board Member	14
*Heidi Gryteland Holm***	Board Member	14
*Geir Kaasen***	Board Member	14

Table 23 – Remuneration of the Board of Directors		
Name and position	**Position**	**2023**
Peter Allan Hooper*	Board Member	-
*Arne Kjørsvik***	Board Member	*12*
*Ann-Christin G. Andersen***	Board Member	-
Total		**99**

**Elected as board member in 2024*
***Resigned a board members*
TUSD 14 and TUSD 2 were paid to Kistefos AS and Shearwater, represented by Lars Petter Utseth and Andreas Hveding Aubert (resigned as board member), respectively.

12.4.2 *Remuneration of the Management*

The below table sets forth the amount of remuneration paid by the Company to its executive management for the financial year ended 31 December 2023.

Table 24 – Remuneration of the Management						
Name and position	**Position**	**Salary**	**Bonus**	**Pension**	**Other compensation**	**Total remuneration**
		(In USD thousands)	*(In USD thousands)*	*(In USD thousands)*	*(In USD thousands)*	*(In USD thousands)*
Trond F. Crantz	CEO	218	18	13	20	269
Other management		434	28	26	5	493
Total		**652**	**46**	**39**	**25**	**762**

12.5 Employees

As of the date of this Prospectus, the Group had 105 direct employees and five (5) indirect employees.

The table below shows the development in the number of employees in the Group for the years ended 31 December 2023, 2022 and 2021.

Table 25 – Employees	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Group	55	50	32

The below table below shows the number of full-time employees of the Group by main category of activity.

Table 26 - Category of activity	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Onshore	35	34	22
Offshore	20	16	10

The below table below shows the number of full-time employees of the Group by geographic location.

Table 27 - Geographic location	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Norway	35	39	27
Europe	3	2	1
Asia	18	8	4
U.S.A	1	1	0
Total	55	50	32

12.6 Financial instruments, including as part of incentive programs

12.6.1 *Warrants (Tranche 1)*

As of the date of this Prospectus, a total of 10,000 warrants are outstanding ("**Tranche 1 Warrants**"). The strike price for the Tranche 1 Warrants is NOK 4.15. Each Tranche 1 Warrant give the right to one (1) share in the Company.

The Tranche 1 Warrants were originally issued to four individuals in an early phase of the Company's life cycle, out of which only one individual holds the remaining 10,000 Tranche 1 Warrants, being previous board member Geir Kaasen.

Table 28 – Overview of Tranche 1 Warrants			
Grant date	**Expiry date**	**Exercise price (NOK)**	**# of Tranche 1 Warrants outstanding**
7 September 2020	7 September 2025	4.15	10,000

12.6.2 *Warrants (Tranche 2)*

In connection with the private placement and subsequent listing on Euronext Growth Oslo in 2021, the Company's general meeting approved the issuance of warrants to the then existing shareholders of the Company (the "**Tranche 2 Warrants**", and together with the Tranche 1 Warrants, the "**Warrants**"). The Tranche 2 Warrants were registered in the NRBE on 23 April 2021.

As of the date of this Prospectus, a total of 116,897 Tranche 2 Warrants are outstanding, each with a strike price of NOK 0.50 (equivalent to the par value of the Shares). The Tranche 2 Warrants can be exercised only given a demonstrated market price pr. Share in the Company of NOK 123 within 20 April 2025. Each Tranche 2 Warrant give the right to one (1) share in the Company.

Table 29 – Overview of Tranche 2 Warrants			
Grant date	**Expiry date**	**Exercise price (NOK)**	**# of Tranche 2 Warrants outstanding**
20 April 2021	20 April 2025	123	116,897

12.6.3 *Options to Board Members and employees*

12.6.3.1 2021 Options

In 2021, a total of 199 000 options (adjusted for the reverse share split registered on 20 June 2024 in the ratio of 1:5) were granted to certain Board of Directors and employees (the "**2021 Options**"). The 2021 Options had the following vesting schedule: 25% after one year, 25% after two years and the remaining 50% after three years. The 2021 Options will expire after five (5) years from the date of allocation, being 26 April 2021 for Board Members and CEO and 16 December 2021 for other recipients. The strike price is NOK 41 (adjusted for the reverse share split registered on 20 June 2024 in the ratio of 1:5).

As at the date of this Prospectus, a total of 29,000 of the 2021 Options remains outstanding, with an equivalent number of 2021 Options having vested but not yet been exercised. The 2021 Options are held by three individuals who are not associated with the Company anymore.

Table 30 – Overview of 2021 Options				
Grant date	**Expiry date**	**Exercise price (NOK)**	**# of 2021 Options outstanding**	**# of 2021 Options vested**
26 April 2021	26 April 2026	NOK 41	28,000	28,000
16 December 2021	16 December 2026	NOK 41	1,000	1,000

12.6.3.2 2024 Options

On 3 November 2023, an extraordinary general meeting of the Company authorised the Board to issue up to 9,631,991 share options as a part of a new long-term incentive, which were implemented through the granting of a total of 1,487,000 options (adjusted for the reverse share split registered on 20 June 2024 in the ratio of 1:5) to Board Members and employees of the Company on 23 January 2024 (the "**2024 Options**").

1 362 000 of the 2024 Options will vest 1/3 each year over a total vesting period of 3 years. Each 2024 Option will, when exercised, give the right to receive one (1) share in the Company at a fixed strike price of NOK 16.00. Options granted under the share option program will expire five years after the grant date, being 23 January 2024. 125 000 of the 2024 Options vested 23 January 2025 and can be exercised with 1/3 each year over a total period of 3 years.

Table 31 – Overview of 2024 Options				
Grant date	**Expiry date**	**Exercise price (NOK)**	**# of 2024 Options outstanding**	**# of 2024 Options vested**
23 January 2024	23 January 2029	NOK 16	1,487,000	125,000

As outlined in risk factor 2.4.1 "*Future issuances of Shares or other securities, including through exercise of warrants and options, in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares",* the exercise of the 2021 Options, 2024 Options, Tranche 1 Warrants, and Tranche 2 Warrants would have a dilutive effect on the Company's shareholders. In a hypothetical scenario where all these financial instruments are exercised simultaneously, the dilution would amount to approximately 3.7%, based on the current number of outstanding shares in the Company.

12.7 Benefits upon termination

The CEO's and the CFO's employment agreements are entered into with Argeo Survey, while the CTO's employment agreement is entered into with Argeo Robotics. For the purposes of this section, Argeo Survey and Argeo Robotics are each referred to as an "**Employer**". Pursuant to the severance arrangements, each of the CEO, CFO, and CTO is entitled to severance pay if terminated by the Employer (the "**Severance Pay**"). The CEO is entitled to Severance Pay equivalent to 12 months' basic salary, while the CFO and CTO are each entitled to Severance Pay equivalent to six months' basic salary, as specified in their employment agreements. The Severance Pay will not affect their entitlement to salary and other benefits during the notice period. The payment of Severance Pay is conditional upon the employee (i) agreeing to withdraw from their position at the Employer's request, and (ii) waiving their right to dispute the termination or claim damages from the Employer related to the termination.

If their employment is terminated by the Employer within 12 months following a change of majority ownership in the Employer or a whole or substantial sale of the Employer's assets, the severance pay will correspond to 18 months basic salary and shall be disbursed as a lump sum upon termination (the "**Change of Control Payment**"). The Severance Pay is not payable if they are entitled to Change of Control Payment. Furthermore, the right to Severance Pay or Change of Control Payment shall not apply if the Company terminates their employment due to, inter alia, gross misconduct, neglection of obligations laid down by laws, regulations, agreement, policies or statutes, or other substantial breach of contract by the employee.

In addition to the Severance Pay, each of the CEO, CTO and CFO are entitled to one additional month base salary for each month in excess of six months, if the non-competition clause, section 9.1 of their employment agreements, is invoked (the "**Additional Severance Payment**"). The Additional Severance Payment is not payable if the employee is entitled to Change of Control Payment.

Other than that, none of the members of the Management have any service contracts with the Company or any subsidiary providing benefits upon termination of employment. However, according to the Company's remuneration policy for executive personnel, the members of the Management may, at the Board of Directors' discretion, be paid additional remuneration as part of a termination settlement. Such remuneration shall not be paid in an amount exceeding 75% of the executive's fixed salary.

There are no severance arrangements for the Chair of the Board.

12.8 Pension and retirement benefits

The Group has a defined contribution pension plan for its employees in Norway which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). All members of Management are part of the defined contribution pension scheme. At the date of the Prospectus, pension contributions in Norway are 5% of salary up to 7.1G and 9% of salary between 7.1 to 12G.

12.9 Nomination committee

The Board of Directors has established a nomination committee. The appointed members of the nomination committee are Geir Kaasen (committee chair) and Jim Dåtland.

12.10 Audit committee

The Board of Directors has established an audit committee. The appointed members of the audit committee are Jan Pihl Grimnes (committee chair) and Lars Petter Utseth. The composition of the audit committee fulfils the requirement for qualifications and competence in accounting and auditing under the Norwegian Public Limited Liability Companies Act.

The function of the audit committee is to prepare matters to be considered by the Board of Directors and to support the Board of Directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control.

The audit committee reports to the Board for the execution of its tasks and the work of the audit committee in no way reduces the responsibilities of the Board and its individual members.

12.11 Remuneration committee

The Board of Directors has established a remuneration committee. The appointed members of the remuneration committee are Nina Bjærum (committee chair), Peter Allan Hooper and Peter Anker.

The purpose of the remuneration committee is to evaluate and propose the compensation of the Company's executive management team and issue an annual report on the compensation of the executive management team, which shall be included in the Company's annual accounts pursuant to applicable rules and regulations, including accounting standards, promulgated from time to time.

The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.12 Corporate Governance

The Company has adopted and implemented a corporate governance regime dated 23 September 2024 (the "**Corporate Governance**") which complies with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "**Corporate Governance Code**"). There are no deviations from the Corporate Governance Code. However, please note that prior to resolving on the Corporate Governance, the Company granted share options to certain members of the Board, which at the time represented a deviation from section 11 of the Corporate Governance Code, which states that remuneration to the board of directors should not be linked to the company's performance and that the company shall not grant options to the board members.

Neither the Board of Directors nor the Company's general meeting of shareholders have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

12.13 Conflict of interests

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

Board member Lars Petter Utseth is not regarded as independent of Kistefos AS and board member Peter Allan Hooper is not regarded as independent of Shearwater. Kistefos AS and Shearwater are two of the Company's largest shareholders. Other than that, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

12.14 Other information

Board member Lars Petter Utseth is appointed as the board representative for Kistefos AS, and board member Peter Allan Hooper is appointed as the board representative for Shearwater, both companies being major shareholders of the Company.

13 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and is qualified in its entirety by the Company's Articles of Association (attached hereto as Appendix A) and Norwegian law.

13.1 Company corporate information

The Company's registered legal and commercial name is Argeo ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registration number in the Norwegian Register of Business Enterprises is 913 743 075 and its legal entity identifier (LEI) is 894500SHXBC6FQ4L8U37.

The Company was incorporated in Norway on 28 May 2014 as a private limited liability company and transformed to a public limited liability company following the extraordinary general meeting held on 8 October 2024.

The Shares have been created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in book-entry form with the VPS under ISIN NO NO0013257410. The Company's register of shareholders in the VPS is administrated by the VPS Registrar.

The Company's registered office is located at Nye Vakås vei 14, 1395 Hvalstad, Asker, Norway. The Company has offices in Norway (Asker and Tromsø), Brazil (Rio De Janerio), Sweden (Stockholm), Singapore, the United States (Houston) and United Kingdom (Edinburgh). The Company's telephone number is (+47) 668 59 099 and email is info@argeo.no. The Company's website can be found at www.argeo.no. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

13.2 Legal structure

The Company functions as the holding company and the ultimate parent company of the Group. The Company is not an operative entity, and the Group's operations are thereby carried out through the Company's subsidiaries and affiliates. The following table sets out information about the Company and its subsidiaries and affiliates:

Table 32 – Group structure

Company	Tiered subsidiary	Country of incorporation	Reg. No	Holdings	Description
Argeo ASA	Holding	Norway	913 743 075	-	Holding company
Argeo Shipholding AS	First-tier	Norway	932 836 378	100%	Service-company
Argeo Robotics AS ("**Argeo Robotics**")	First-tier	Norway	920 372 708	100 %	Technology development
Argeo Inc	First-tier	USA	32-0656656	100 %	Service-company
Argeo Survey AS ("**Argeo Survey**")	First-tier	Norway	913 796 640	100 %	Service-company
Argeo Services Pte Ltd	Second-tier	Singapore	202136582C	100 %	Service-company
Argeo Subsea Ltd	Second-tier	UK	798046	100%	Service-company
H1000 JV AS	Second-tier	Norway	926 291 939	100 %	Service-company
Argeo Do Brazil LTDA	Second-tier	Brazil	33.2.1198617-5	100 %	Service-company

As at the date of this Prospectus, the Company is of the opinion that its holdings in Argeo Survey specified above is likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

13.3 Share capital and share capital history

As of the date of this Prospectus, the Company's current share capital is NOK 22,208,174.50 divided on 44,416,349 Shares, each with a nominal value of NOK 0.50. All Shares are validly issued, fully paid and non-assessable.

The Company has only one class of Shares. Accordingly, there are no differences in the voting rights among the Shares. Each Share carries one vote, and all Shares carry equal rights in all respects, including rights to dividends.

The table below shows the development in the Company's share capital for the period covered by the historical financial information, i.e. from 2021 and up to the date of this Prospectus:

Table 33 – Development in Share capital

Date registered	Type of change	Type of issue	Share capital increase (NOK)	Share capital (NOK)	Subscription price (NOK/share)	Par value (NOK/share)	Issued shares	Total shares
23.04.2021	Share capital increase	Private placement	2,134,146.30	2,744,146.30	8.20	0.10	21,341,463	27,441,463
20.04.2022	Share capital increase	Private placement	1,500,000	4,244,146.30	5.00	0.10	15,000,000	42,441,463
25.04.2022	Share capital increase	Exercise of warrants	13,933.70	4,258,080.00	-	0.10	139,337	42,580,800
22.12.2022	Share capital increase	Private placement	851,616	5.109.696,00	1.65	0.10	8,516,160	51,096,960
03.01.2023	Share capital increase	Private placement	2,178,384	7,288,080.00	1.65	0.10	21,783,840	72,880,800
22.02.2023	Share capital increase	Subsequent offering and exercise of warrants	326,370.5	7,614,450.50	1.65	0.10	3,263,705	76,144,505
30.06.2023	Share capital increase	Private placement	1,557,616.8	9,172,067.30	2.75	0.10	15,576,168	91,720,673
08.08.2023	Share capital increase	Subsequent offering	267,053.1	9,439,120.40	2.75	0.10	2,670,531	94,391,204
23.10.2023	Share capital increase	Share issue – private placement	1,800,230.9	11,239,351.30		0.10	18,002,309	112,393,513
06.11.2023	Share capital increase	Share issue – private placement	6,012,269.1	17,251,620.40	3.20	0.10	60,122,691	172,516,204
10.11.2023	Share capital increase	Conversion of debt	2,012,362.5	19,263,982.90	3.20	0.10	20,123,625	192,639,829
18.12.2023	Share capital increase	Exercise of warrants	26,009.50	19,289,992.40	0.282	0.10	260,095	192,899,924
21.03.2024	Share capital increase	Share issue in – private placement	1,818,181.8	21,108,174.20	2.75	0.10	18,181,818	211,081,742
22.04.2024	Share capital increase	Share issue in a subsequent offering	1,100,000	22,208,174.20	2.75	0.10	11,000,000	222,081,742
20.06.2024	Change of par value	Reverse share split	-	22,208,174.50	-	0.50	-	44,416,349

13.4 Admission to trading

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs since 26 April 2021 under the ticker code "ARGEO" with ISIN NO NO0013257410. On 24 September 2024, the Company applied for the Shares to be admitted to trading and Listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 18 October 2024. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 24 October 2024, under the ticker code "ARGEO". Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

13.5 Board authorisation to issue shares

As of the date of this Prospectus, the Company is in total authorised to increase the share capital with up to NOK 4 634 273.83, equivalent to a total of 9 268 547.66 Shares, and a description of each authorisation are included below.

13.5.1.1 Board authorisation – general

At the Company's annual general meeting held on 6 June 2024, the Board was granted an authorisation to increase the share capital with up to 20% of the Company's share capital, corresponding to NOK 4,441,634.00 in one or more share capital increases through issuance of new Shares. The authorisation can be used in situations described in Section 6-17 of the Norwegian Securities Trading Act.

13.5.1.2 Board authorisation – incentive programs

At the extraordinary general meeting held on 3 November 2023, the Board was granted an authorisation to increase the share capital by up to 192 639.83 (adjusted for the reverse share split registered on 20 June 2024 in the rate of 1:5) in connection with the Company's incentive programs, including the Company's option programs, through one or more share capital increases by issuance of new shares. The authorisation may only be used to issue shares to the group's employees and board members in connection with incentive programs, including option programs, both individual and general. The shareholder's preferential rights may be derogated from, cf. Sections 10-4 and 10-5 of the Norwegian Private Limited Companies Act. The authorisation does not cover resolutions to increase the share capital for non-cash contribution or mergers in accordance with Section 13-5 of the Norwegian Private Limited Liability Companies Act. The authorisation expires at the annual general meeting in 2025, and in any event on 30 June 2025.

As of the date of this Prospectus, a total number of 1 516 000 share options (adjusted for the reverse share split registered on 20 June 2024 in the rate of 1:5) have been granted pursuant to the authorisation. For more information about the options granted, please see Section 12.6.3 "*Options to Board of Directors and employees*".

13.6 Authorization to acquire treasury Shares

As of the date of this Prospectus, the Company's general meeting has not issued an authorization to acquire treasury Shares.

13.7 Other financial instruments

Please refer to Section 12.6 "*Financial instruments, including as part of incentive programs*" for a description of outstanding financial instruments issued by the Company.

13.8 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 13.13 *"The Articles of Association and certain aspects of Norwegian law*".

13.9 Takeover bids and forced transfer of shares

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. As the Company's Shares has been listed on Euronext Growth Oslo, which is not a regulated market, the Company and its Shares has not been subject to any statutory legislation relating to takeover bids.

The Company has not received any takeover bids since its inception.

13.10 Change in control

As of the date of this Prospectus, to the knowledge of the Company, there are no arrangements or agreements, which may at a subsequent date result in a change in control in the Company.

13.11 Transferability of the Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares shall be registered in the VPS.

13.12 Ownership structure

As of 18 October 2024, the Company had a total of 1,948 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of 18 October 2024 is set out below:

Table 34 – Overview of major shareholders

#	Shareholder	No. of Shares	Percentage
1	KISTEFOS AS(1)	6,524,368(1)	14.68%(1)
2	SHEARWATER GEOSERVICES HOLDING AS	4,024,725	9.06%
3	LANGEBRU AS	2,500,000	5.62%

(1) Kistefos AS indirectly owns an additional 2,376,690 shares through custodian accounts with DNB Markets, a part of DNB Bank ASA, and SpareBank 1 Markets AS, bringing the total number of shares controlled to 8,901,058, equal to 20.04% of the Company's outstanding shares.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.8 "*Disclosure obligations*" for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, three (3) shareholders holds 5% or more of the Shares of the Company.

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Section 13.13 "*The Arcticles of Association and certain aspects of Norwegian law*" and 15.11 "*Compulsory acquisition*" for further information.

13.13 The Articles of Association and certain aspects of Norwegian law

13.13.1 *The Articles of Association*

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of certain of the provisions of the Articles of Association (office translation).

Company name

Pursuant to Section 1 of the Articles of Association, the Company's name is Argeo ASA and it is a public limited liability company.

Purpose of the Company

Pursuant to Section 3 of the Articles of Association, the Company's business is to provide services, participate, and invest in technological, geological, and geophysical activities.

Share capital and nominal value

Pursuant to Section 4 of the Articles of Association, the Company's share capital is NOK 22 208 174.50 divided on 44 416 349 shares, each with a nominal value of NOK 0.50.

Registration in the securities register

Pursuant to Section 5 of the Articles of Association, the Company's shares shall be registered with Euronext VPS.

Trading in the shares

Pursuant to Section 6, the Company's shares are freely transferable. The transfer of shares does not require consent from the Company's Board of Directors, and shareholders do not have pre-emptive rights.

Board of Directors

Pursuant to Section 7, the board of directors shall consist of between five to eight board members.

Nomination committee

Pursuant to Section 8 of the Articles of Association, the Company shall have a nomination committee, which shall consist of between two and four members. The general meeting shall adopt instructions for the nomination committee

General meetings

Pursuant to Section 9 of the Articles of Association, when documents concerning matters to be addressed at the general meeting are made available to the shareholders on the internet site of the Company, the legal requirement for sending the documents to the shareholders does not apply. This also applies to documents that, by law, are required to be included in or attached to the notice of the general meeting. Furthermore, the Board of Directors may decide that shareholders may cast written votes in advance on matters that are to be considered at general meetings of the Company.

Signature

Pursuant to Section 11, the CEO and one board member jointly, and two board members jointly, have signing authority.

Procuration

Pursuant to Section 12, the Board of Directors may grant procuration.

Change of control

There are no provisions in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

13.13.2 *Certain aspects of Norwegian law*

13.13.2.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the date and time of, the venue for and the agenda of the meeting, is sent to all shareholders with a known address no later than 21 days before the date of the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline. The latter is currently not the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at its own discretion. Pursuant to the Norwegian Securities Trading Act, a proxy voting form shall be appended to the notice of the general meeting for a Norwegian public limited liability company listed on a stock exchange or a regulated market unless such form has been made available to the shareholders on the company's website and the notice calling for the meeting includes all information the shareholders need to access the proxy voting forms, including the relevant Internet address.

Under Norwegian law, a shareholder may only exercise rights that pertain to shareholders, including participation in general meetings of shareholders, when it has been registered as a shareholder in the company's register of shareholders maintained with the VPS. Unless the articles of association explicitly states that the right to attend and vote at a general meeting may only be exercised by a shareholder if it has been entered into the company's register of shareholders five working days prior to the general meeting, all shareholders who are registered as such on the date of the general meeting have the right to attend and exercise its voting rights at that meeting. This is the case for the Company i.e. the record date for shareholders to participate at a General Meeting is five working days prior to the date of the relevant general meeting.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice of and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two- thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided that the company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's General Meeting.

13.13.2.2 Voting rights – amendments to the articles of association

Each Share carries one vote. In general, decisions that shareholders of a Norwegian public limited liability company are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who obtain(s) the most votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favor of the resolution, as well as the majority required for amending the articles of association.

Only a shareholder registered as such with the VPS is entitled to vote for shares of a Norwegian public limited liability company listed on a stock exchange or regulated market. Beneficial owners of the shares who are registered in the name of a nominee are also entitled to vote under Norwegian law, but any person who is designated in the VPS register as the holder of such Shares as a nominee is not entitled to vote under Norwegian law unless being instructed with a proxy by the beneficial owner. A nominee may not meet or vote for shares registered on a nominee account. A shareholder holding Shares through a nominee account must, in order to be eligible to register, meet and vote for such Shares at the general meeting, notify the company two days prior to the date of the relevant general meeting (unless the board of directors prior to sending the notice for the General Meeting has decided on a shorter notification deadline).

There are no quorum requirements that apply to the general meeting of a Norwegian public limited liability company.

13.13.2.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

13.13.2.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

13.13.2.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

13.13.2.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

13.13.2.7 Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

13.13.2.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

13.13.2.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

13.14 Shareholder agreements

The Company is not aware of any shareholders' agreements related to the Shares which will be in force upon Listing.

14 TRANSFER RESTRICTIONS

14.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or sold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risk of the investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same or transfer the Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 14 "*Transfer restrictions*".

The Shares may not be transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to transfer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction it would not be permissible to transfer the Shares.

The information in this Section 14 "*Transfer restrictions*" is intended as a general guide only. If any recipient is in any doubt of any of the contents of these restrictions, or whether any of these restrictions apply to that recipient, the recipient should obtain independent professional advice without delay.

14.2 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Listing Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Listing Advisor and its respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.3 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Listing Advisor and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and

- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Listing Advisor has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

15 CERTAIN ASPECTS OF SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

15.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth, Nordic ABM and Oslo Connect. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA, which was in 2019 acquired by Euronext N.V., a European stock exchange with registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris. Oslo Børs ASA owns 97% of the shares in Fish Pool ASA. Oslo Børs ASA complies with the European code of conduct commitments on service unbundling and accounting separation. Oslo Børs VPS Holding ASA also wholly-owns the Norwegian Central Securities Depository (VPS).

15.2 Market value of shares on Oslo Børs

The market value of all shares on Oslo Børs, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

15.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Optiq, which is the electronic trading system of Euronext.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 08:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 17:30 hours (Oslo time). Reporting of after exchange trades can be done until 17:30 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

15.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

15.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway'), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. For more information on nominee accounts, see Section 13.13 "*The Articles of Association and certain aspects of Norwegian law*" under the subheading "Voting rights – amendments to the articles of association".

15.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 13.13 *"The Articles of Association and certain aspects of Norwegian law".*

15.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Chapter 2 of the Article Market Abuse Regulation (EU) 596/2014, pursuant to Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

15.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

15.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

15.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

15.13 Other information

15.13.1 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

15.13.2 *Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway*

The Company is a public limited liability company organized under the laws of Norway. The majority of the members of the Board of Directors and management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

15.13.3 *Norwegian law could limit shareholders' ability to bring an action against the Company*

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

15.13.4 *Investors could be unable to exercise their voting rights for Shares registered in a nominee account*

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

15.13.5 *Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

16 NORWEGIAN TAXATION

16.1 Introduction

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

The summary regarding Norwegian taxation set out in this Section 16 is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be residents in Norway for tax purposes (under domestic tax law or under tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

As will be evident from the description, the taxation will differ depending on whether the shareholder is a limited liability company or a natural person.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

16.2 Taxation of dividends

16.2.1 *Norwegian Personal Shareholders*

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22%, to the extent the dividends exceed a statutory tax-free allowance (Nw.: *skjermingsfradrag*). With effect from the fiscal year 2024 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84 (22% x 1.72).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each Share is equal to the cost price of the Share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw. *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year and is allocated solely to Norwegian Personal Shareholders holding Shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2023 was 3.2%.

Norwegian Personal Shareholders who transfer Shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a Share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same Share.

Norwegian Personal Shareholders may hold the Shares through a Norwegian share saving account (Nw.: *Aksjesparekonto*). Dividends received on Shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the Shares held in the account. Such income will be taxed with an effective tax rate of 37.84, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income and cannot increase or produce a deductible loss. Any Excess Allowance may be carried forward and set off against future withdrawals from the account.

16.2.2 *Norwegian Corporate Shareholders*

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are largely exempt from tax on dividends distributed from the Company, pursuant to the Norwegian participation exemption method (Nw.: *fritaksmetoden*). However, unless the Norwegian Corporate Shareholder holds more than 90% of the Shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22% resulting in an effective tax rate of 0.66% (22% x 3%).

16.2.3 *Non-Norwegian Personal Shareholders*

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends, and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual Share (please see Section 16.2.1 "Norwegian Personal Shareholders"). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the Shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been imposed with a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders, who are resident in an EEA country may hold the Shares through a Norwegian share saving account (Nw.: *Aksjesparekonto*) to the same extent as Norwegian shareholders. Please refer to Section 16.2.1 "Norwegian Personal Shareholders" above for a description of taxation of shares held on a share saving account.

16.2.4 *Non-Norwegian Corporate Shareholders*

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the Shares and is considered to be "genuinely established and performs genuine economic activity" in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the Shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with the VPS. Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

16.3 Taxation of capital gains on realization of shares

16.3.1 *Norwegian Personal Shareholders*

Sale, redemption or other disposal of Shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of Shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is in 2024 taxable at a rate of 22%. However, with effect from the fiscal year 2024, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Shares disposed of.

The taxable gain/deductible loss is calculated per Share as the difference between the consideration for the Share and the Norwegian Personal Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or realizations of the Share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.2.1 "Norwegian Personal Shareholders" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a Share will be annulled.

If the Norwegian Personal Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of Shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 37.84% (please see Section 16.2.*1 "*Norwegian Personal Shareholders" above for more information regarding share saving accounts).

16.3.2 *Norwegian Corporate Shareholders*

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of Shares, pursuant to the Norwegian participation exemption method. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such Shares are not deductible for tax purposes.

16.3.3 *Non-Norwegian Personal Shareholders*

Gains from the sale or other disposal of Shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the Shares are held by a Non-Norwegian Personal Shareholder who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the Shares at the time of cessation of Norwegian tax residency.

Please refer to Section 16.2.3 "Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders. Please refer to Section 16.2.1 "*Norwegian Personal Shareholders*" for a description of the taxation of dividends on Shares held on a share saving account.

16.3.4 *Non-Norwegian Corporate Shareholders*

Capital gains derived from the sale or other realization of Shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the Shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

16.4 Net wealth tax

The value of Shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. With effect from the fiscal year 2024, the marginal net wealth tax rate is 1% of the tax assessment value of total net assets exceeding NOK 1.7 million (NOK 3.4 million jointly for married couples), increased to 1.1% of the tax assessment value of total net assets exceeding NOK 20 million. The value for assessment purposes for listed Shares is, with effect from the fiscal year 2024, equal to 80% of the listed value as of 1 January in the year of assessment (i.e., the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

16.5 VAT and transfer tax

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of Shares.

16.6 Inheritance tax

A transfer of Shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

16.7 The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

17 ADDITIONAL INFORMATION

17.1 Independent auditor

The Company's independent auditor is RSM, with registration number 982 316 588 and business address at Ruseløkkveien 30, 0251 Oslo, Norway. RSM is a member of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforeningen*). RSM has been the Company's auditor throughout the period covered by financial information included in this Prospectus.

The Financial Statements as of and for the years ended 31 December 2023, 2022 and 2021 have been audited by RSM as set forth in their report included herein. RSM has not audited, reviewed or produced any report on any other information provided in this Prospectus.

On 8 October 2024, an extraordinary general meeting of the Company elected KPMG AS, with registration number 935 174 627 and registreded business adress at Sørkedalsveien 6, 0369 Oslo, as the Company's new independent auditor. The reason for this change was a strategic decision to engage a larger audit firm to enhance credibility and also to align the audit process with a new governance structure.

17.2 Advisors

Pareto Securities AS (address: Dronning Mauds gate 3, N-0115 Oslo, Norway) and SpareBank 1 Markets AS (address: Olav Vs gate 5, 0161 Oslo, Norway) are acting as Listing Advisors in connection with the Listing.

Advokatfirmaet Schjødt AS (address: Tordenskiolds gate 12, NO-0201 Oslo, Norway) functions as the Company’s Norwegian legal counsel.

17.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Nye Vakås vei 14, 1395 Hvalstad, Asker, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website https://argeo.no/. The content of https://argeo.no/ is not incorporated by reference into, or otherwise form part of, this Prospectus.

17.4 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference table set out below. Except from this section, no other information is incorporated by reference in this Prospectus.

Table 35 – External documents of interest

Section in the Prospectus	Disclosure requirement	Reference document and link	Page(s) in reference document
Section 12.2.1, Section 13 Section 13.13 Section 15	Annex 1, Section 19, Item 19.2.3	**Articles of Association** https://argeo.no/investor/corporate-governance/articles-of-association/	Pages 65, 73-79, 83, 85
Section 4.2, Section 10, Section 11	Annex 1, Section 18, Item 18.1.1	**Annual Financial Statements for 2023, 2022 and 2021** https://argeo.no/wp-content/uploads/2024/05/Argeo-Annual-Report-2023.pdf https://argeo.no/wp-content/uploads/2023/05/Argeo-Annual-Report-2022.pdf https://argeo.no/wp-content/uploads/2022/11/Argeo-Annual-Report-2021.pdf	Pages 15, 19-20, 42, 45-64
Section 4.2, Section 10, Section 11	Annex 1, Section 18, Item 18.2.1	**Interim Financial Statements for the six-month period ended 30 June 2024** https://argeo.no/wp-content/uploads/2024/10/Q2-24-report-Argeo.pdf	Pages 15, 19-20, 42, 45-64

18 DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus:

Table 36 – Definitions and glossary

Defined terms	Meanings
2021 Options	The 29,000 options granted in April and December 2021
2024 Options	The 1,487,000 options granted in January 2021
Additional Severance Payment	The severance pay that that the CEO, CFO and CTO is entitled to if the non-competition clause, section 9.1 of their employment agreements, is invoked
Annual Financial Statements	Audited annual consolidated financial statements as of and for the years ended 31 December 2023, 2022 and 2021 in accordance with IFRS
Anti-Money Laundering Legislation	The Norwegian Money Laundering Regulations of 14 September 2018 no. 1324
APM	Alternative performance measures
Argeo or Company	Argeo ASA
Argeo Robotics	Argeo Robotics AS
Argeo Survey	Argeo Survey AS
Argeo Venture	Argeo Venture (formerly, SW Bell)
Articles of Association	The Company's articles of association
Board Members or Board of Directors	The members of the Company's board of directors
AUVs	Autonomous Underwater Vehicles
Change of Control Payment	The severance pay that the CEO, CFO and CTO is entitled to if their employment is terminated by their employer within 12 months following a change of majority ownership or a whole or substantial sale of the employer's assets
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 14 October 2021
CP	Cathodic protection
CPI	Corruption Perceptions Index
DSM	Offshore installations, renewables and marine
E&P	Development and production
EBITDA	Operating profit before depreciation
EEA	European Economic Area
ESMA	The European Securities and Markets Authority
EU Prospectus Regulation	Regulation (EU) 2017/112
EUR or Euro	The single currency of the EU
Excess Allowance	Calculated tax-free allowance
Financial Statements	The Interim Financial Statements together with the Annual Financial Statements
FSMA	Financial Services and Markets Act 2000
GBP	The lawful currency of the United Kingdom
GDPR	The General Data Protection Regulation (EU) 2016/679
Group	The Company, together with its consolidated subsidiaries
HSE	Health, safety and environment
IAS 34	International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU
IEA	International Energy Agency
IFRS	International Financial Reporting Standards, as adopted by the EU
IMR	Inspection maintenance and repair
Interim Financial Statements	The unaudited consolidated financial statements for the six-month period ended 30 June 2024
LEI	Legal Entity Identifier
Legal Advisors	Pareto Securities AS and SpareBank 1 Markets AS

MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and local implementing measures
NCI	National Client Identifier
NGAAP	Norwegian Generally Accepted Accounting Principles
NOK	The lawful currency of Norway
NOM-account	Nominee account
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are natural persons not resident in Norway for tax purposes
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA	The Financial Supervisory Authority of Norway
Norwegian Personal Shareholders	Shareholders who are natural persons resident in Norway for tax purposes
Norwegian Public Limited Liability Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended
OBN	Ocean bottom node
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Oslo Børs or Oslo Stock Exchange	Oslo Børs, a stock exchange operated by Oslo Børs ASA
Prospectus	The prospectus dated 23 October 2024
Relevant Member State	Any member state of the EEA, other than Norway
ROV	Remotely operated vehicles
RSM	RSM Norge AS
Severance Pay	The severance pay that the CEO, CFO, and CTO is entitled to if terminated by their employer
Shares	The Company's outstanding shares, each with a par value of NOK 0.50
Shearwater	Shearwater Geoservices Holding AS
Strategic Alliance	The Company's strategic alliance with Shearwater
Tranche 1 Warrants	The 10,000 warrants outstanding and originally granted 7 September 2020
Tranche 2 Warrants	The 116,897 warrants outstanding and originally granted on 20 April 2021
U.S. or United States	The United States of America
UK	The United Kingdom
USVs	Unmanned Surface Vechiles
VPS	The Norwegian Central Securities Depository
VPS Registrar	DNB Bank ASA, registrar's department

APPENDIX A:

Articles of Association

VEDTEKTER
FOR
ARGEO ASA

(org.nr. 913 743 075)

(sist endret 8. oktober 2024)

§ 1 –Foretaksnavn

Selskapets foretaksnavn er Argeo ASA. Selskapet er et allmennaksjeselskap.

§ 2 – Forretningskommune

Selskapets forretningskontorer er i Asker kommune.

§ 3 –Virksomhet

Selskapet virksomhet er å yte tjenester, delta og investere innen teknologiske, geologiske og geofysiske virksomheter.

§ 4 – Aksjekapital

Selskapets aksjekapital er NOK 22 208 174,50 fordelt på 44 416 349 aksjer hver pålydende NOK 0,50.

§ 5 – Registrering i verdipapirregisteret

Aksjene skal være registrert i verdipapirregisteret (Euronext VPS).

§ 6 – Aksjenes omsettelighet

Aksjene i selskapet er fritt omsettelige. Overdragelse av aksjer er ikke betinget av samtykke fra selskapets styre og aksjeeierne har ikke forkjøpsrett.

§ 7 – Styre

Selskapets styre skal bestå av 5 til 8 medlemmer.

§ 8 - Valgkomité

Selskapet skal ha en nominasjonskomité som skal bestå av mellom to og fire medlemmer.

ARTICLES OF ASSOCIATION
FOR
ARGEO ASA

(reg.no. 913 743 075)

(Last amended on 8 October 2024)

Article 1 – Company name

The company's name is Argeo ASA. The company is a public limited liability company.

Article 2 – Registered office

The company's registered office is in the municipality of Asker.

Article 3 – Business

The Company's business is to provide services, participate, and invest in technological, geological, and geophysical activities.

Article 4 – Share capital

The company's share capital is NOK 22 208 174.50 divided on 44 416 349 shares, each with a nominal value of NOK 0.50.

Article 5 – Registration in the securities register

The company's shares shall be registered with Euronext VPS.

Article 6 – Trading in the shares

The shares of the company are freely tradable. The transfer of shares does not require consent from the company's board of directors, and shareholders do not have pre-emptive rights.

Article 7 – Board of directors

The company's board of directors shall consist of 5-8 members.

Article 8 – Nomination committee

The company shall have a nomination committee which shall consist of between two and four members.

Nominasjonskomitéen fremmer forslag til generalforsamlingen om (i) valg av styrets leder, styremedlemmer og eventuelle varamedlemmer, og (ii) valg av medlemmer til nominasjonskomitéen. Nominasjonskomitéen fremmer videre forslag til generalforsamlingen om honorar til styret og nominasjonskomitéen, som fastsettes av generalforsamlingen. Generalforsamlingen skal fastsette instruks for nominasjonskomitéen.

The nomination committee shall present proposals to the general meeting regarding (i) election of the chair of the board, board members and any deputy members, and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the general meeting for remuneration of the board and the nomination committee, which is to be determined by the general meeting. The general meeting shall adopt instructions for the nomination committee.

§ 9 – Generalforsamling

På den ordinære generalforsamling skal følgende saker behandles og avgjøres:

1. godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte,
2. valg av styremedlemmer og revisor (dersom disse er på valg),
3. andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Når dokumenter som gjelder saker skal behandles på generalforsamlingen er gjort tilgjengelige for aksjeeierne på selskapets internettsider gjelder ikke allmennaksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen

Styret kan beslutte at aksjeeiere kan avgi skriftlig forhåndsstemme i saker som skal behandles på generalforsamlinger i selskapet. Slike stemmer kan også avgis ved elektronisk kommunikasjon. Adgangen til å avgi forhåndsstemme er betinget av at det foreligger en betryggende metode for autentisering av avsender. Styret avgjør om det foreligger en slik metode i forkant av den enkelte generalforsamling. Styret kan fastsette nærmere retningslinjer for skriftlige forhåndsstemmer. Det skal fremgå av innkallingen til generalforsamlingen om det er gitt adgang til forhåndsstemming og hvilke retningslinjer som eventuelt er fastsatt for slik stemmegivning.

Article 9 – General meeting

The ordinary general meeting shall address and resolve the following issues:

1. adoption of the annual financial statement and the annual report, including the distribution of dividends;
2. Election of board members and auditors (if these are to be elected).
3. any other matters which by virtue of law or the articles of association fall under the auspices of the general meeting.

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the Company, the requirements in the Norwegian Public Limited Liability Companies Act which state that these documents shall be sent to the shareholders, shall not apply. This exemption is also applicable with regards to documents which according to statutory law shall be included in or attached to the notice of the general meeting.

The board may decide that shareholders may cast written votes in advance on matters that are to be considered at general meetings of the company. Such votes may also be cast by use of electronic communication. The possibility to vote in advance is conditional upon a satisfactory method for authenticating each user being available. The board decides whether such a method is available in advance of each general meeting. The board may determine further guidelines for voting in advance. The notice for the general meeting shall state whether it is permitted to vote in advance and the guidelines, if any, that apply to such voting.

§ 10 – Elektronisk kommunikasjon

Selskapet kan bruke elektronisk kommunikasjon når det skal gi meldinger, varsler, informasjon, dokumenter, underretninger ol. etter allmennaksjeloven til aksjeeierne.

§ 11 – Signaturrett

Daglig leder og ett styremedlem i fellesskap og to styremedlemmer i fellesskap har signaturrett.

§ 12 – Prokura

Styret kan meddele prokura.

Article 10 – Electronic communication

The company may utilize electronic communication when it is to provide messages, notices, information, documents etc. pursuant to the Norwegian Public Limited Liability Companies Act to the shareholders.

Article 11 - Signature

The chief executive officer and one board member jointly, and two board members jointly, have signing authority.

Article 12 - Procuration

The board of directors may grant procuration.

APPENDIX B:

The Group's audited consolidated financial statement as of and for the years ended 31 December 2023, 2022 and 2021 (IFRS)

Argeo

ANNUAL REPORT

2023

Contents

CEO LETTER

CEO LETTER

I would like to express my gratitude and appreciation for the hard work and dedication shown by everyone at Argeo during a year of significant scaling breakthroughs for the company. This upswing was initiated by a strategic turnaround in late 2022 when we successfully converted and operationalized the Argeo Searcher. Equipped with the Hugin Superior, this solution has met client expectations and paved the way for our plans to acquire the Argeo Venture. Throughout 2023, we completed several challenging projects using this platform, continually improving it and positioning the company for substantial growth in 2024. In addition to these achievements, we reached several other important technology milestones. Most notably, we commercialized the Argeo LISTEN sensor systems, demonstrating their unique performance to major clients in both the O&G and Marine Minerals sectors. Recognizing the need for larger capacity AUVs to handle larger contracts and projects, we introduced the new Hugin Superior class to our asset pool, and their performance has been outstanding.

Market

There is significant growth in the traditional offshore segment for O&G but increasingly supported by activities in the marine minerals market. We are witnessing continued strengthening in the O&G deep water market, with rising rates across all sectors, bolstered by our company's ability to provide turnkey solutions. Our in-house technology has proven to be a gamechanger across all three verticals. A continued focus on the deep to ultra-deep water market is expected, with more acreage and projects being sanctioned, along with new greenfield projects anticipated for deep-water development. Lately we see an uptick in tenders in the global Offshore Wind (OWS) segment, in particular the floating OWS which requires Argeo's turnkey AUV solution.

Trond E Figenschou Crantz

Trond E. Figenschou Crantz
CEO

Main events

Main events 2023

Q1

- Argeo Searcher conversion and rigging completed
- Ultra-deep water AUV survey work in the North Atlantic has started
- Mid-Atlantic 2023 deep-water campaign firms up to 30 million NOK
- Argeo signs survey contract with Stromar Offshore Wind Farm

Q2

- Argeo awarded NOK 37 million deep-sea survey contract with Norwegian Petroleum Directorate
- Argeo confirms contract extension to March 2024 for Hugin 6000 AUV
- Argeo granted new patent for electromagnetic method for tracking and detection of pipelines and power cables

Q3

- Argeo AS: Argeo granted new patent for an electromagnetic method for detection of buried objects
- Argeo AS: Argeo granted a patent on a high energy electromagnetic system
- Argeo AS: Argeo with comprehensive AUV fleet expansion
- Argeo and Shearwater forges strategic alliance to transform subsea and ocean bottom seismic markets

Q4

- Argeo AS: Argeo has in principle agreed with a Supermajor O&G company on a 3-month subsea Inspection program
- Argeo AS: Argeo confirms NOK 55 million contract with Shell- SNEPCo
- Argeo AS: Argeo awarded NOK 154 million contract with India’s National Centre for Polar and Ocean Research (NCPOR)

A complete subsea service provider

from acquisition to actionable data

Argeo is a complete subsea service provider operating in three major verticals, oil & gas, marine minerals, and the renewables sector. We offer a unique package combining **robust vessels**, **superior AUV's, advanced sensors** and digital imaging technology and an **intuitive digital platform** that collects complex data and brings this to life. With our own vessels and superior AUV's we are fast, flexible and in a unique position to offer full lifecycle services. Our services include survey, inspection, maintenance, and repair, increasing efficiency and reducing carbon footprint for our customers.

Bringing complex data to life

in three key verticals

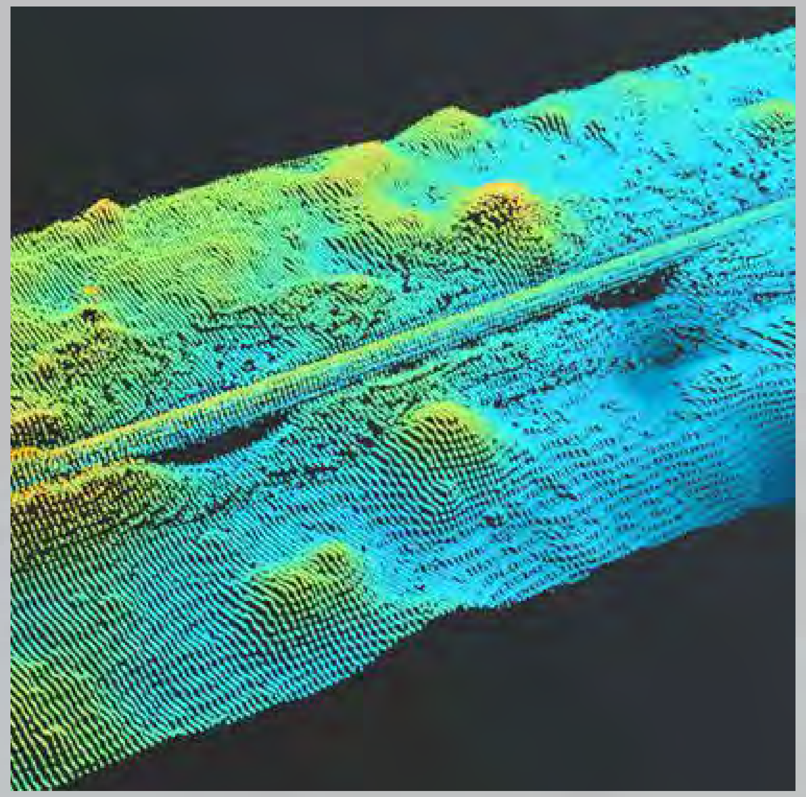
Argeo conducts ocean surveys & inspections using autonomous robotic solutions for three key markets, Oil & Gas, Marine Minerals and Renewables

More cost-efficient survey and inspection giving our clients

- Faster inspections
- Faster project turnaround
- Lower CO_2 footprint
- Safer operations with lower HSE risk

Easy access to actionable data

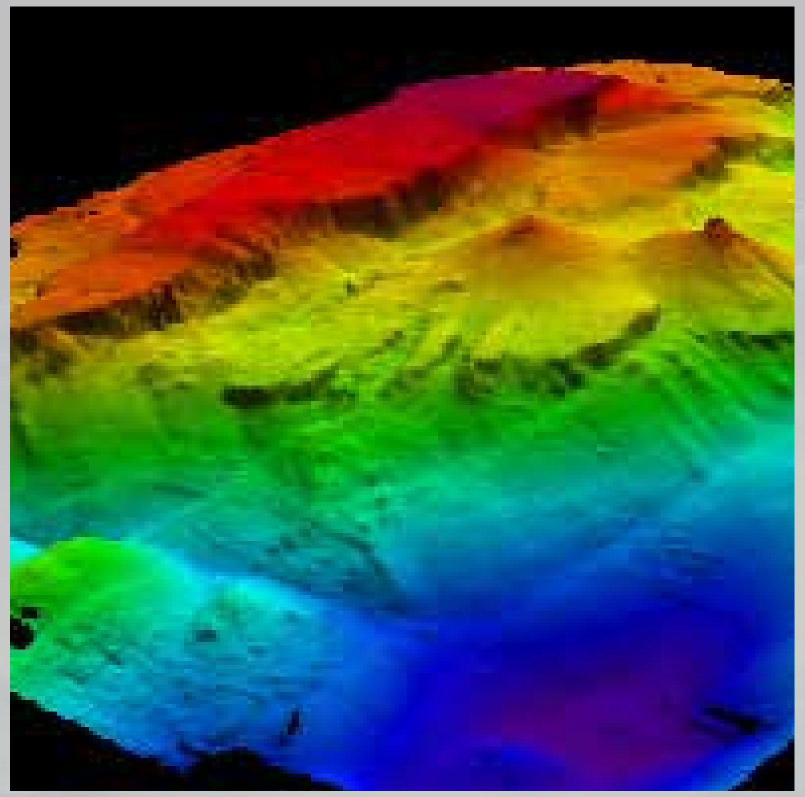
- Rapid decision ready data to clients during mission and project lifecycle
- Intuitive visualizations of complex data



Oil & Gas

Argeo provides comprehensive services for the oil and gas industries, specializing in Inspection, Maintenance, Repair, and Survey (IRMS).

Our offerings include greenfield development, route survey connections with the installation of Floating Production Storage and Offloading units (FPSOs), and the inspection of existing pipelines, power cables, and subsea infrastructure. We conduct detailed subsea inspection programs and handle general maintenance activities. Additionally, we offer seismic support operations for Ocean Bottom Node (OBN) in collaboration with Shearwater Geo.



Marine Minerals

Argeo work with marine minerals companies and geological institutions to conduct exploration surveys for new licenses and resource estimation. They also perform environmental assessments before and after exploration and extraction activities.

Renewables

Argeo provides advanced survey and inspection services to the offshore wind industry using cutting-edge technology.

Our offerings include pre-installation and route surveys (IRMS), cable burial inspection, and underwater data collection for new areas. Argeo supports wind farm construction, infrastructure inspections, and offers multi-client services for greenfield acreage. These solutions ensure efficient and safe installation of wind turbines, promoting sustainable ocean wind energy.

Board of Directors

Jan P. Grimnes

CHAIRMAN

Chairman of the board of Geoteric and board member of Adrega AS. Board experience from Magseis Fairfield ASA, Fara AS, Q-Free ASA and SPT Group AS. Founded Technoguide in 1996, the company that developed and commercialized the world's leading E&P software Petrel as Chairman and CEO.

Jim Dåtland

MEMBER OF THE BOARD

Experienced executive with vast background from corporate and capital markets. Previously CFO and Investment Director of the family office T.D. Veen AS. Experience from several listed offshore drilling companies including Seadrill Ltd. Currently board member of Quantafuel and Aquarobotics.

Heidi Gryteland Holm

MEMBER OF THE BOARD

More than ten years of experience with digital solutions in the Oil and Gas industry, primarily supporting drilling operations. Holds an M.Sc in Mechanical Engineering from NTNU

Geir Kaasen

MEMBER OF THE BOARD

30 years experience from Investment Banking and Corporate Finance. Currently working as investor and independent financial advisor. Experience from capital markets including M&A transactions, IPOs and capital raising for 50+ energy and tech companies. Previously partner in ABG Sundal Collier, SEB Enskilda and Hagstrøm & Qviberg.

Lars Petter Utseth

MEMBER OF THE BOARD

Lars Petter Utseth joined Kistefos in 2019. Prior to joining Kistefos, Mr. Utseth worked in the Investment Banking Division at SpareBank1 Markets, focusing on M&A and ECM transactions. Mr. Utseth holds a MSc in Finance from the Norwegian School of Economics (NHH).

Peter Hooper

MEMBER OF THE BOARD

Peter, CCO at Shearwater, has 20+ years experience in offshore seismic, subsea survey, and marine operations. Co-founded Wavefield AS in 2006, later becoming Senior VP of Marine Operations at CGGVeritas. He then joined Dolphin Geophysical as VP Operations and later COO. Peter holds a BSc (Hons) from the University of Aberdeen and a Postgraduate Diploma in Hydrographic Surveying from the University of Plymouth.

Meet the Management Team

Trond F. Crantz:

CEO

20+ years experience from global technical, operational and commercial leadership roles in Schlumberger and PGS and founder of Argeo. Holds a degree in robotics and cybernetics and an MBA from BI Norwegian Business School.

Odd Erik Rudshaug

CFO

35+ years experience from shipping and oil & gas. Co-founder & CFO for RXT, experience from PGS and EMGS and hold a M.Sc. Business & Economics.

Thorbjørn Rekdal

CTO

20+ years experience with global leadership roles in PGS among others: President Research, VP Global Data Processing, Interim head of Data Processing, Senior VP Commercialization and President Marine Contract for Europe, Middle-East. He holds a PhD in geophysics from University of Oslo.

Ruben Kornmo Janssen

VP Sales

Elisabeth Andenæs

Marketing & Communications Manager

Dave Gentle

VP North & South America

Joost Hendrik Bakker

VP Operations

Anna Lim

Manager Marine Minerals

Anne Havsgård

Global HR Manager

Christian Halvorsen

Global Tender Manager

Harald Blaauw

General Counsel

BOARD OF DIRECTOR's REPORT

Argeo is an Offshore Service company with a mission to transform the ocean surveying and inspection industry by utilizing autonomous surface and underwater robotics solutions. Equipped with unique sensors and advanced digital imaging technology, the Autonomous Underwater Vehicles (AUV's) will significantly increase efficiency and imaging quality in addition to contributing to significant reduction in CO2 emissions from operations for the global industry in which the Company operates.

The Company's highly accurate digital models and digital twin solutions are based on geophysical, hydrographic, and geological methods from shallow waters to the deepest oceans for the market segments Oil & Gas, Renewables, Marine Minerals and Offshore Installations.

Argeo was established in 2017 and has offices in Asker (Oslo), Tromsø, Stockholm, Rio de Janeiro, Houston, Singapore, and Edinburgh. Since its incorporation, Argeo has carried out complex projects for some of Norway's largest companies in the field.

Operations

Argeo signed a 5-year bareboat charter for the vessel Argeo Searcher in October 2022. The vessel came on charter in January 2023, and a conversion and rigging program was completed in February 2023. Both SeaRaptors were integrated into the vessel. A deep-water marine mineral project for the Polish Geological Institute (PGI) along the Mid-Atlantic Ridge was completed in Q2 2023, and a nearby Multi-Client (MC) data acquisition project also commenced during the quarter in collaboration with a reputable MC company. In June 2023, the vessel transited to Tromsø for the Knipovich marine minerals project for the Norwegian Offshore Directorate which was completed late Q3 2023. Argeo Searcher completed a significant upgrade in Norway before departing for its project in Nigeria. The vessel is now fully setup for any subsea scope work. Argeo Searcher arrived in Nigeria late December and completed the Bonga field project 20th of January 2024. A new 5-year bareboat was entered into effective January 1, 2024, with an option buyout clause of USD 8 million.

On November 7, Argeo took delivery of the vessel SW Bell from Shearwater and renamed it Argeo Venture. A reactivation and conversion program was initiated, which completed in early April 2024 when the vessel sailed to Namibia for a 9 months contract with Total. In addition to the vessel purchase, Argeo and Shearwater entered into a strategic alliance for innovating and pioneering new technology and products across the subsea and marine seismic markets.

In March 2022 Argeo signed an agreement with Kongsberg Maritime for the purchase of a Hugin 6000 AUV (Autonomous Underwater Vehicle) which was delivered in September 2022. The AUV commenced immediately a long-term contract and was delivered back to Argeo late April 2024.

A comprehensive fleet expansion initiative was launched in Q2 2023, for the lease of three new Kongsberg Hugin AUV's. The first Hugin Superior was delivered in November 2023, and is currently being used onboard Argeo Searcher.

In Q3 2023, Argeo completed a survey contract with Stromar, a consortium made up of Ørsted, Renantis and BlueFloat Energy, over the Stromar offshore wind farm of the coast of Scotland.

Argeo Robotics has now been granted five patents from the Norwegian Industrial Patent office (Patentstyret) for subsea electromagnetic remote-sensing systems. The Argeo Robotics team has submitted another four patent applications for AUV related technology which consists of both sensor hardware and sensor applications.

Argeo Robotics has developed Argeo Listen, a unique electromagnetic sensor technology, enabling the use of AUVs for cathodic protection inspection of subsea infrastructure and has also become a key tool in marine mineral exploration. This technology has been a requirement for all marine mineral exploration and pipeline inspection projects performed by Argeo and has become a strong differentiator and competitive advantage for the company.

Argeo has also developed Argeo Whisper, a unique electromagnetic source system, that can be used for mandatory surveys to detect unexploded ordnances (UXO) and metal debris. It can also be used to determine the position and burial depth of power cables with an accuracy that can significantly reduce cable installation and maintenance costs for offshore wind power cables.

Argeo SCOPE, our proprietary digital platform for subsea data, incorporates all types of data from our projects, and enables fast, efficient, and informed decision for subsea field developments, inspections and required maintenance for Offshore Wind, Marine Mineral Exploration and Oil&Gas.

The Argeo organization has grown from 49 to 55 employees during 2023.

Changes to accounting principles

The consolidated financial statements of the Group for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards® ("IFRS") as adopted by The European Union ("EU"), and represent the first financial statements of the Group in accordance with IFRS. See note 7.3 for information related to first time adoption.

Net income, investments, financing, and liquidity

Revenues for the Group increased from USD 3.5 million in 2022 to USD 10.1 million in 2023. Net loss for the Group in 2023 was USD 16.9 million, compared to a net loss of USD 8.9 million in 2022. Net loss for the Group in 2023 is mainly due to market entry and commercialisation of Argeo's new vessel and AUV setup. Loss in 2023 also includes a write down on two assets currently in layup amounting to USD 2.7 million and a USD 1.4 million currency exchange loss.

Parent company Argeo AS had a minor intercompany revenue in 2023 amounting to NOK 19 thousand, compared to no revenue in 2022. Net profit for 2023 was NOK 3.6 million, compared to a net profit of NOK 4.2 million in 2022. Net income for both years is mainly due to interest income on intercompany loans, and income tax benefit.

Total assets at year-end 2023 for the Group amounted to USD 71.6 million, compared to USD 32.8 million at year-end 2022.

Total assets at year-end 2023 for Parent amounted to NOK 648.4 million , compared to NOK 296.8 million at year-end 2022.

The Group invested USD 21.1 million in property, plant, and equipment (PPE), USD 1.5 million in intangible assets and USD 0.3 million in multi-client library in 2023. Investments in PPE is mainly related to purchase and upgrade of the vessel Argeo Venture. In 2022, the Group invested USD 24.4 million in property, plant, and equipment, USD 1.9 million in intangible assets and USD 0.4 million in multi-client library. Argeo also had additions to Right of use assets in 2023 mainly related to the charter of Argeo Searcher and rental of the first Hugin Superior AUV.

Investments in intangible assets are mainly related to development of electromagnetic sensor solutions used on the Company's AUV's, and Argeo's digital twin solution "Argeo Scope". All development cost related to these projects are capitalised, and includes the cost of materials, direct labour and overhead cost.

Cash and cash equivalents as of 31 December 2023 for the Group was USD 5.3 million, compared to USD 2.2 million on 31 December 2022.

Cash and cash equivalents as of 31 December 2023 for the Parent amounts to NOK 23.6 million, compared to NOK 14.5 million on 31 December 2022.

Equity was USD 35.0 million at the end of 2023 for the Group, compared to USD 14.6 million at the end of 2022.

Equity was NOK 647.4 million at the end of 2023 for the Parent, compared to NOK 293.2 million at the end of 2022. A private placement of 15 576 168 new shares was made in June 2023 at NOK 2.75 per share, raising gross proceeds of approximately NOK 43 million. A private placement of 78 125 000 new shares at NOK 3.20 per share was completed in October 2023, raising gross proceeds of NOK 250 million. Furthermore, the Company issued 20 123 625 new consideration shares to Shearwater as part settlement for the Vessel acquisition.

Total liabilities for the Group increased from USD 18.2 million in 2022 to USD 36.6 million in 2023. Proceeds from new long-term debt were USD 2.6 million and includes a USD 2 million loan from Innovation Norway. There are certain covenants related to this loan, see note 6.2. New leases amounted to USD 19.6 million in 2023.

Total current interest-bearing liabilities and lease liabilities were USD 7.1 million at the end of 2023. Total non-current interest-bearing liabilities and lease liabilities were USD 18.1 million at the end of 2023. Ageing of financial liabilities is presented in note 6.3.
Net cash from operating activities for the Group in 2023 amounts to minus USD 4.2 million, compared to USD 4.2 million in 2022.

Outlook
Our dedication to addressing intricate projects for our clients, coupled with the exceptional efficiency derived from our proven sensor technology and software, has sparked worldwide demand for Argeo's inspection services. This success has brought about noteworthy enhancements, solidifying our position for ongoing achievements.

In the dynamic offshore landscape, we continue to monitor and adapt to emerging trends. Our analysis of the competitive landscape indicates that we are well-positioned to capitalise on opportunities and has clearly carved out a significant niche for Argeo where competition is limited and more importantly controlled by technological barriers and advancements in our own solutions. Our goal is to retain this competitive advantage and to be a technology leader the field of subsea services.

Looking ahead, we are optimistic about the future, with a strong contract backlog at the start of the year and good potential for continued growth for 2024 and following years.

Financial risk
The Group is exposed to a range of risks affecting its financial performance, including market risk, interest rate risk, credit risk and liquidity risk. The Group seeks to minimize potential adverse risks through sound business practice and risk management.

Market risk
Financial instruments affected by market risk include interest-bearing debt (loans from Innovation Norway), cash and cash equivalents, trade and other receivables, lease liabilities and trade payables.

Interest rate risk
The Group's exposure to the risk of changes in interest rates relates primarily to the below-market interest loans from Innovation Norway. Management therefore considers the interest rate risk to be low.

Foreign currency risk
The Group is exposed to currency fluctuations due to the international nature of its operations. A significant portion of the Group's revenues and operating costs are denominated in USD, in addition to some exposure to NOK, EUR and GBP. The Group does not currently hedge currency exposure with the use of financial instruments but monitors the net exposure over time.

Liquidity risk
Management of liquidity risk is given high priority. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents, seeking the availability of equity funding and debt funding, and by continuously monitoring forecasts and actual cash flows.
To further improve its liquidity position, the Group secured a NOK 20 million loan from Innovation Norway in December 2022. The loan was drawn with NOK 10 million in April 2023 and NOK 10 million in May 2023. The Group also raised gross proceeds of NOK 250 million through a private placement in October 2023. The liquidity risk is hence considered to be at a reasonable level.

Other market risks
War in Ukraine and Israel/Gaza: the ongoing wars do not currently impact the Group directly, as it has no operating presence in either Russia, Belarus, Ukraine, Israel or Gaza. Indirect effects however, such as financial market volatility, sanctions related knock-on-effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position. The Group's management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

Credit risk
The Group is mainly exposed to credit risk from its operating activities. The risk is minimized through trading with creditworthy third parties and monitoring of receivable balances on an ongoing basis. The Group has not yet experienced any losses on receivables. However, the increased operations of the Group outside the home market exposes the Group to different credit risk environments. Management deems the Group's credit risk to be at an acceptable level given the current operational circumstances and the outlook of the Group.

Going concern
In accordance with Norwegian accounting legislation, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on estimates and expectations for 2024 and the Group's long-term strategy.

The working environment
At year-end 2023, the Argeo Group had 55 employees. Of which 50 men and 5 women. Argeo had one temporary employee in 2023 (man).

It is the objective of the Company to provide for safe practices in operation and a safe working environment. This objective will be achieved by;

- Maintaining high standards for safety consciousness, personal discipline, and individual accountability by adherence to a comprehensive and documented system of training.
- Actively promoting employee participation in measures aimed at improving safety.
- Keeping all personnel informed of any known or potential hazards that may affect themselves and their colleagues.

Equality applies to all practices and guidelines relating to the recruitment process and hiring of all workers. We respect and protect the fundamental human and workers' rights in a manner consistent with laws and regulations.

The Group promotes a healthy workplace by prohibiting discrimination due to gender, race, age, ethnicity, disability, sexual orientation, or religion and provides fair compensation for employees' work.

Leave of absence due to illness in 2023 was 2.7% and remains at a low and manageable level. Argeo had two minor first aid incidents onboard vessels in 2023. Two minor accidents remedied by first aid onboard vessels in 2023 (mild injury on chest and pinched middle finger).

Paternity leave was two weeks in 2023 (man).

Environment

The Company's operations offshore raise some environmental issues. Argeo places considerable emphasis on prevention of negative environmental impact of their operations. It is the policy of the Company to maintain a safe and pollution-free operating practice that complies with national and international regulations and relevant standards and guidelines. It is the objective of the Company to continuously improve the management skills in relation to environmental protection.

Our commitment to ESG principles remains steadfast. Argeo utilises vessels and subsea equipment (robots) to keep our oceans clean and inspect and maintain for example production equipment for O&G. Argeo also engages in the identification of older production equipment for removal in DECOM. We accomplish this with self-developed patented technology that allows us to conduct these inspection surveys up 8x more efficiently than alternative older solutions. We have fuel-efficient vessels and robotic equipment, further giving the company and our services a significant green profile.

Corporate governance

Argeo considers good corporate governance to be a prerequisite for trustworthiness, value creation, and access to capital. To secure strong and sustainable corporate governance, it is important that Argeo ensures good and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations. The Company is incorporated and registered in Norway and is subject to Norwegian law. The shares of Argeo are listed on Euronext Growth. As a Norwegian public limited liability company, Argeo must comply with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Euronext Growth, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations. In accordance with the Company's adopted Code of Conduct we strive to operate our business in a way that will provide lasting benefits to all stakeholders, customers, partners, shareholders, employees, and suppliers in addition to the communities in which we operate.

Corporate Social Responsibility Statement

In accordance with the company's adopted code of conduct, we strive to conduct our business in a way that facilitates the proper consideration of the working environment, social conditions, human rights, workplace health, safety, diversity, and inclusion.

The Transparency Act

The statement for 2023 will be published by 30 June 2024 on Argeo's website.

Subsequent events

In January 2024, a total number of 7,750,000 share options were granted under a new incentive plan, and the options will vest 1/3 each year over a total vesting period of 3 years. Each option will, when exercised, give the right to receive one share in the Company at a fixed strike price of NOK 3.20. Options granted under the share option program will expire five years after grant date. The grant replaces 555,000 outstanding share options from the grant in December 2021, 36 000 of the "Tranche 1" warrants and 2 581 063 of the "Tranche 2" warrants.

In February 2024, Argeo signed a sale-and-leaseback contract involving the Company's vessel Argeo Venture. The net proceeds from the transaction will replace the offer for a USD 10 million bank loan and a USD 2 million credit facility in financing previously announced on 2 October 2023.

In February 2024, Argeo signed a NOK 154 million contract with India's National Centre for Polar and Ocean Research (NCPOR). The contract comprises of near-seabed exploration survey and data analysis. The data acquisition commenced by Argeo Searcher in February 2024 and is estimated to be completed in late May 2024.

In March 2024, Argeo signed a USD 39 million contract with the international energy company TotalEnergies. The work will be carried out by Argeo Venture which started the transit from Norway to West-Africa on the 7th of April. The project has an expected duration of 9 months.

In March 2024, Argeo, CSI Nordics and Kongsberg Discovery signed a three-party Certificate of Delivery and Acceptance for a new Hugin Superior AUV. CSI Nordics, a subsidiary of CSI Leasing, will purchase the unit from Kongsberg Discovery, entering into a long-term leasing agreement with Argeo.

In March 2024, Argeo completed a private placement of 18,181,818 new shares at NOK 2.75 per share, raising gross proceeds of approximately NOK 50 million. The private placement was followed by a Subsequent Offering with non-tradeable subscription rights of 11,000,000 new shares in the Company, raising gross proceeds of NOK 30,250,000. The new share capital of the Company after the registration of the shares is NOK 22,208,174.20, divided into 222,081,742 shares, each with a nominal value of NOK 0.10.

In April 2024, Argeo signed a contract with Woodside Energy to execute the 2024 AUV geophysical survey for the deepwater Calypso field in Trinidad and Tobago. The work will be carried out by Argeo Searcher with commencement in Q3 2024. The project duration is approximately 60 days.

Insurance for board members and executive management

Argeo has liability insurance for the board and executive management covering any indemnity for financial loss arising from personal managerial liability, including personal liability for the company's debts, arising out of any claim first made against the company.

Allocation of net loss and dividends

Argeo Group had a net loss of USD 16.9 million in 2023. The parent company Argeo AS had a net profit of NOK 3.6 million in 2023. The Board of Directors has proposed the net profit in Argeo AS to be allocated to other equity, and that no dividend is distributed.

Statement of the Board and CEO

The Board and CEO have today considered and approved the Director's Report and Annual Financial Statements for Argeo AS as of December 31, 2023 (Annual Report 2023).

To the best of our knowledge:

- The Annual Financial Statements for 2023 have been prepared in compliance with applicable accounting standards.
- The information in the Annual Financial Statements gives a true and fair view of the assets, liabilities, financial position, and overall results as of December 31, 2023.
- The Director's Report gives a true and fair view of:
  - The development, result, and position of the company.
  - The principal risks and uncertainties faced by the company.

Jan P. Grimnes
Chairman

Geir Kaasen
Board Member

Jim Dåtland
Board Member

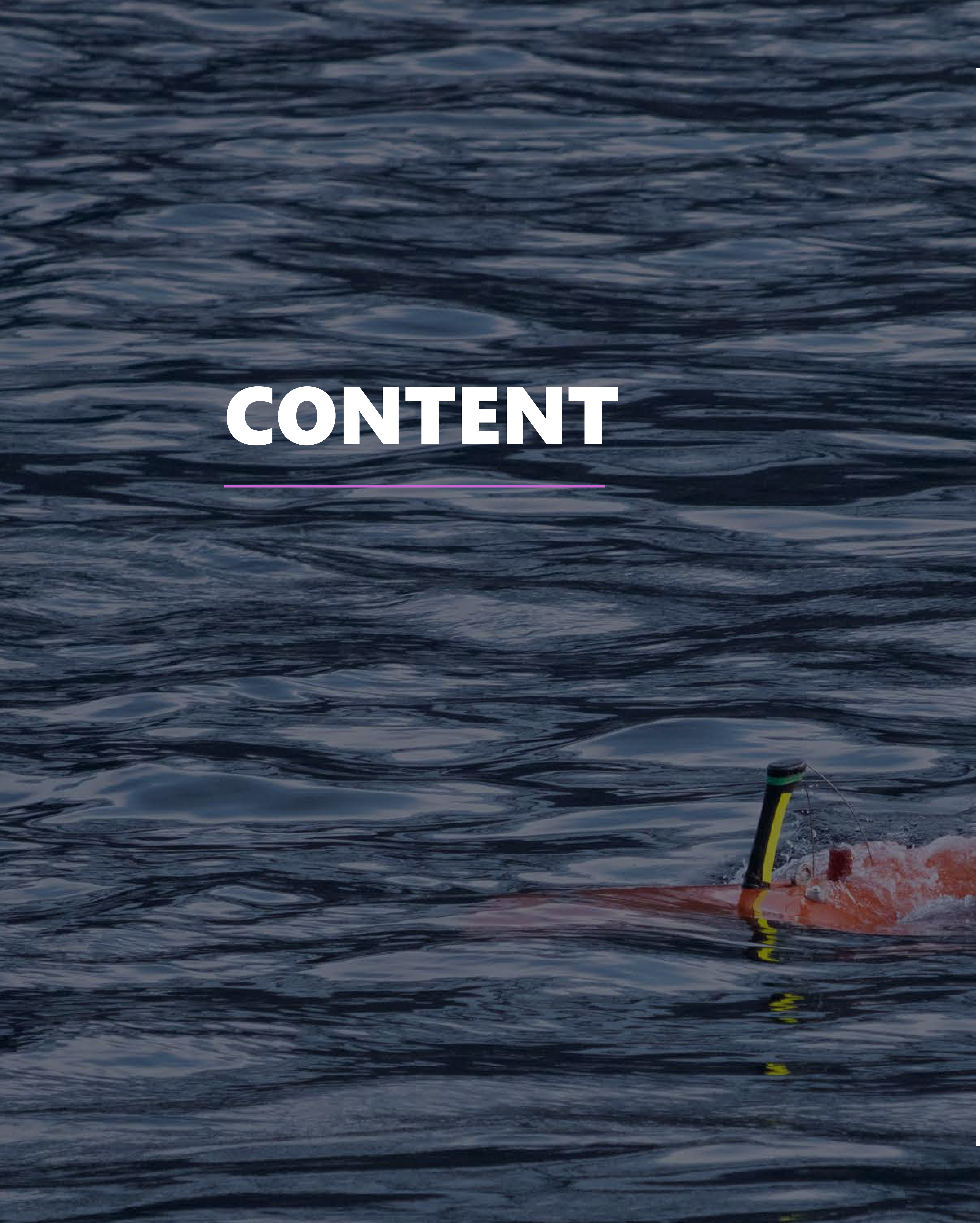
Lars Petter Utseth
Board Member

Heidi G. Holm
Board Member

Peter Hooper
Board Member

Trond F. Crantz
CEO Argeo

CONSOLIDATED STATEMENTS & NOTES



CONTENT

Content

Consolidated statement of comprehensive income

For the years ended 31 December

All amounts in USD 1,000	Note	2023	2022	2021
Revenues	2.1	10,126	3,476	1,787
Other income	2.2	-	9	55
Total revenues and other income		**10,126**	**3,485**	**1,842**
Cost of sales	2.3	14,541	5,666	3,147
Gross profit		**-4,415**	**-2,181**	**-1,305**
Selling, general and administrative expenses	2.4	1,859	2,970	1,747
Impairment	5.2	2,700	-	-
Depreciation and amortisation	2.6	4,689	1,431	227
Total operating expenses		**9,248**	**4,401**	**1,973**
Operating profit (loss)/EBIT		**-13,663**	**-6,582**	**-3,279**
Share of results from joint venture	4.1	-81	-326	-53
Finance income	2.7	56	208	135
Finance expense	2.7	3,168	1,117	107
Net financial items		-3,193	-1,234	-25
Profit (loss) before tax		**-16,856**	**-7,816**	**-3,304**
Income tax expense	2.8	-79	-1,109	1,148
Net profit (loss) for the year		**-16,935**	**-8,926**	**-2,156**
Other comprehensive income				
Items which may subsequently be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		1,074	-1,756	-435
Other comprehensive income for the year		**1,074**	**-1,756**	**-435**
Total comprehensive income for the year		**-15,861**	**-10,682**	**-2,591**
Earnings per share				
Basic EPS - profit or loss attributable to equity holders (USD)	6.9	-0.16	-0.23	-0.10
Diluted EPS - profit or loss attributable to equity holders (USD)	6.9	-0.16	-0.23	-0.10
Net profit/loss for the year attributable to:				
Equity holders of the parent company		-16,935	-8,926	-2,156
Total comprehensive income attributable to:				
Equity holders of the parent company		-15,861	-10,682	-2,591

Consolidated statement of financial position

All amounts in USD 1,000	Note	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Intangible assets	5.1	3,790	2,466	867	418
Deferred tax asset	2.8	-	-	1,166	40
Right-of-use assets	5.3	18,456	377	685	-
Property, plant and equipment	5.2	36,250	20,865	450	1,355
Multi-client inventory		699	406	-	-
Investment in joint venture	4.1	152	233	621	-
Total non-current assets		**59,347**	**24,347**	**3,789**	**1,814**
Trade receivables	3.1	219	1,726	532	518
Other receivables	3.1	4,071	4,570	7,873	34
Cash and cash equivalents	6.5	5,340	2,163	7,468	912
Contract assets	3.3	552	-	74	-
Other current assets	2.1	2,073	-	-	-
Total current assets		**12,254**	**8,458**	**15,947**	**1,464**
Total assets		**71,601**	**32,805**	**19,735**	**3,277**

All amounts in USD 1,000	Note	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Share capital	6.6	1,890	565	320	71
Share premium		62,204	27,356	19,143	795
Other capital reserves		1,734	1,640	1,507	38
Other equity		-30,818	-14,957	-4,275	-266
Total equity		**35,010**	**14,604**	**16,694**	**638**
Non-current interest-bearing liabilities	6.2	4,940	4,608	519	695
Non-current lease liabilities	5.3	13,112	150	410	-
Non-current provisions	3.4	2	9	75	89
Total non-current liabilities		**18,053**	**4,766**	**1,004**	**785**
Current interest-bearing liabilities	6.2	2,394	4,432	154	89
Trade payables	3.1	6,456	2,410	711	1,447
Current lease liabilities	5.3	4,751	267	297	-
Current provisions	3.4	432	810	358	-
Income tax payable	2.8	-	-	11	-
Contract liabilities	3.3	2,225	-	-	-
Other current liabilities	3.2	2,280	5,515	506	319
Total current liabilities		**18,537**	**13,435**	**2,038**	**1,855**
Total liabilities		**36,590**	**18,201**	**3,041**	**2,639**
Total equity and liabilities		**71,601**	**32,805**	**19,735**	**3,277**

Oslo, 22 May 2024

Jan P. Grimnes
Chair of the Board

Geir Kaasen
Board member

Heidi G. Holm
Board member

Jim Dåtland
Board member

Lars Petter Utseth
Board member

Peter A. Hooper
Board member

Trond F. Crantz
CEO

Consolidated statement of changes in equity

All amounts in USD 1,000		Paid-in equity			Other equity		
2021	**Note**	**Share capital**	**Share premium**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Equity as at 1 Jan 2021 NGAAP		**71**	**795**	**-**	**-**	**-139**	**727**
IFRS transition effects		-	-	38	-	-127	**-89**
Equity as at 1 Jan 2021 IFRS		**71**	**795**	**38**	**-**	**-266**	**638**
Net profit or loss for the year		-	-	-	-	-2,156	**-2,156**
Other comprehensive income		-	-	-	-435	-	**-435**
Total comprehensive income for the year		**-**	**-**	**-**	**-435**	**-2,156**	**-2,591**
Issue of share capital (Note 6.6)		248	18,348	-	-	-	**18,596**
Other		-	-	-	-	6	**6**
Share-based payments (Note 6.8)		-	-	1,469	-	-1,424	**45**
Equity as at 31 December 2021		**320**	**19,143**	**1,507**	**-435**	**-3,840**	**16,694**

		Paid-in equity			Other equity		
2022	**Note**	**Share capital**	**Share premium**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Equity as at 1 January 2022		**320**	**19,143**	**1,507**	**-435**	**-3,840**	**16,694**
Net profit or loss for the year		-	-	-	-	-8,926	**-8,926**
Other comprehensive income		-	-	-	-1,756	-	**-1,756**
Total comprehensive income for the year		**-**	**-**	**-**	**-1,756**	**-8,926**	**-10,682**
Issue of share capital (Note 6.6)		246	8,213	-	-	-	**8,459**
Share-based payments (Note 6.8)		-	-	134	-	-	**134**
Equity as at 31 December 2022		**565**	**27,356**	**1,640**	**-2,191**	**-12,766**	**14,604**

		Paid-in equity			Other equity		
2023	**Note**	**Share capital**	**Share premium**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Equity as at 1 January 2023		**565**	**27,356**	**1,640**	**-2,191**	**-12,766**	**14,604**
Net profit or loss for the year		-	-	-	-	-16,935	**-16,935**
Other comprehensive income		-	-	-	1,074	-	**1,074**
Total comprehensive income for the year		**-**	**-**	**-**	**1,074**	**-16,935**	**-15,861**
Issue of share capital (Note 6.6)		1,112	35,062	-	-	-	**36,174**
Registration of shares from December 2022		213	-213	-	-	-	**-**
Share-based payments (Note 6.8)		-	-	93	-	-	**93**
Equity as at 31 December 2023		**1,890**	**62,204**	**1,734**	**-1,117**	**-29,701**	**35,010**

Consolidated statement of cash flows

All amounts in USD 1,000	Note	2023	2022	2021
Cash flow from operating activities				
Profit/loss before tax		-16,856	-7,816	-3,304
Adjustments to reconcile loss before tax to net cash flow				
Net financial items	2.7	3,193	1,234	25
Depreciation, amortisation and impairment	2.6	7,389	1,431	227
Share-based payment expense	6.8	13	129	45
Working capital adjustments				
Changes in trade and other receivables	3.1	2,006	2,109	-7,853
Changes in contract assets and other current assets	3.3	-2,624	74	-74
Changes in trade payables	3.2	4,046	1,699	-735
Changes in provisions	3.4	-385	387	343
Changes in contract liabilities and other current liabilities	3.3, 3.2	-1,010	5,009	187
Other items				
Tax paid	2.8	-	-11	-
Net cash flows from operating activities		**-4,229**	**4,243**	**-11,139**
Cash flow from investing activities				
Purchase of property, plant and equipment	5.2	-21,064	-24,374	-429
Investment in joint venture		-	-	-680
Proceeds from disposals of property, plant and equipment		-	-	1,270
Investment in Multi-client		-293	-416	-
Development expenditures	5.1	-1,524	-1,876	-570
Interest received	2.7	53	31	10
Net cash flows from investing activities		**-22,828**	**-26,635**	**-399**
Cash flow from financing activities				
Proceeds from issuance of equity	6.6	36,174	8,459	18,596
Repayments of long term debt	6.3	-5,271	-2,598	-88
Proceeds from long term debt	6.3	2,602	12,653	-
Payments for principal for the lease liability	5.3	-2,155	-230	-56
Payments for interest for the lease liability	5.3	-750	-60	-24
Interest paid	2.7	-336	-76	-50
Net cash flows from financing activities		**30,264**	**18,148**	**18,377**
Net change in cash and cash equivalents		**3,207**	**-4,243**	**6,839**
Cash and cash equivalents at beginning of the year		2,163	7,468	912
Net foreign exchange difference		-30	-1,062	-283
Cash and cash equivalents at 31 December		**5,340**	**2,163**	**7,468**

Notes

Note 1.1 General information

Argeo AS ("the Company") is listed on Oslo Euronext Growth, with the ticker symbol ARGEO. The Company is incorporated and domiciled in Norway with principal offices located at Nye Vakås vei 14, 1395 Hvalstad, Norway.

Argeo AS and its subsidiaries (collectively "the Group" or "Argeo") offers services and technical solutions to the surveying and inspection industry.

The consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 22 May 2024.

Note 1.2 Basis of preparation

The consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidates statement of cash flows, consolidated statement of changes in equity and related notes.

The consolidated financial statements of the Group for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards® ("IFRS") as adopted by The European Union ("EU"), and represent the first financial statements of the Group in accordance with IFRS. See note 7.3 for information related to first time adoption.

The consolidated financial statements have been prepared on a historical cost basis, the Group has no assets or liabilities measured at fair value. Further, the financial statements are prepared based on the going concern assumption. All figures are presented in USD thousands (USD 1,000), except when otherwise stated.

Comparative financial information is provided for 2022 and 2021 in the statement of comprehensive income, statement of financial position and statement of cash flows. An additional statement of financial position as at 1 January 2021 is presented in these financial statements due to the first time adoption of IFRS.

Presentation and functional currency
The financial statements are presented in United States dollar (USD) to provide the users of the financial statements with more convenient information.

Argeo AS has Norwegian krone (NOK) as its functional currency and its subsidiaries have NOK, USD or Brazilian real (BRL) as their functional currencies. From 1 January 2023 the functional currency of Argeo Survey AS is assessed to be USD based on an assessment of the currency of the primary economic environment in which it operates (NOK prior to 2023).

For presentation purposes, items in the statement of financial position are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within the statement of comprehensive income are translated from functional currency to presentation currency by applying yearly average exchange rates. The resulting translation differences are recognised in other comprehensive income.

Climate risk
Climate-related risks to the Group include market effects from reduced demand from oil and gas, potential physical effects of climate change and new or changed environmental regulations.

Demand for our services within the oil and gas segment in the long-term is uncertain due to the global clean energy transition. The effect is expected to be partially mitigated by a correspondingly increased demand for our services within renewable energy.

The Group is exposed to changing weather conditions caused by climate change as a result of its operation activities offshore. Impact of severe climate change could cause damage to assets, disrupt operational activities and result in significant costs increase.

New or changed environmental regulations may impact the valuation of the Group's vessels operating on marine gas oil, and environmental regulations are continuously considered in assessing whether assets may be impaired.

1.3 General accounting policies

Argeo has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgemental considerations are disclosed in the notes to which the policies relate. A summary of the Group's general accounting policies are presented below:

Statement of cash flows
The consolidated statement of cash flows is prepared using the indirect method.

Changes in accounting policies

Standards issued but not yet effective
The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Note 1.4 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognised in the financial statements, are summarised below:

Estimates and assumptions
- Recognition and measurement of deferred tax assets (note 2.8)
- Estimating fair value for share-based payments transactions (note 6.8)

The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Accounting judgements
- Combined contracts under IFRS 16 (note 5.3)

Notes

Note 2.1 Revenue and segment information

The Group is organised as one operating segment focused on the delivery of subsea services.

The Group's revenue from contracts with customers arise primarily from the performance of subsea services in accordance with customer specifications.

ACCOUNTING POLICIES

Subsea services
Contracts related to subsea services generally comprise services such as subsea data collection and data processing and interpretation. These elements are highly related and comprise integrated services negotiated as a whole with the customer. As such, contracts related to subsea services are considered to contain one performance obligation. Revenue is recognised over time because the Group performs the services based on customer specifications, the resultant data is owned by the customer and the Group has no right to otherwise use or benefit from the data. Depending on the nature of the contract, progress for the subsea data collection is measured either based on square kilometres or time progressed (day-rate), while process for data processing and interpretation is measured based on both working hours and data processing. Payment is generally due upon defined project milestones.

Contract fulfilment costs
The Group incurs significant costs when moving personnel, equipment and supplies to the relevant location based on contract specifications. These costs are incurred to ensure that the Group is able to fulfil its promise to the customer, rather than transferring a good or service. The Group's costs that are directly related to a customer contract are recognised as an asset and amortised with the expense recognised on a basis that is consistent with the transfer of services to the customer.

Contract assets and liabilities
Reference is made to note 3.3 for information about the Group's contract assets and liabilities.

Rental income
Rental income is derived from rental of AUVs (sale and leaseback agreements). Rental income is accounted for on a straight-line basis over the lease term and is presented as revenues in the consolidated statement of comprehensive income. Reference is made to note 5.3 for further information about the Group as a lessor.

Specification of revenue (USD 1,000):	**2023**	**2022**	**2021**
Revenue from contracts with customers	5,652	1,915	1,787
Rental income	4,473	1,561	-
Total revenues	**10,126**	**3,476**	**1,787**

Geographical markets (USD 1,000)	**2023**	**2022**	**2021**
Norway	3,297	1,261	1,787
South America	-	654	-
Europe	2,356	-	-
Total revenue from contracts with customers	**5,652**	**1,915**	**1,787**

The revenue information above is based on the locations of the customers.

Note 2.1 Revenue from contracts with customers (continued)

The revenue information above is based on the locations of the customers.

Major customers
In 2023, the majority of the Group's revenue was generated by three customers accounting for respectively 56%, 27% and 14% of total revenues from contracts with customers.

In 2022, the majority of the Group's revenue was generated by three customers accounting for respectively 47%, 34%, 16% of total revenues from contracts with customers.

In 2021, the majority of the Group's revenue was generated by one customer accounting for 96% of total revenues from contracts with customers.

Contract fulfilment assets (USD 1,000)	**12/31/2023**	**12/31/2022**	**12/31/2021**	**1/1/2021**
At 1 January	-	-	-	-
Additions	1,505	-	-	-
Utilised during the year	434	-	-	-
At 31 December	**1,071**	**-**	**-**	**-**

Contract fulfilment assets are presented as a part of other current assets in the consolidated statement of financial position.

2.2 Government grants

Governmental funding from Innovation Norway and SkatteFUNN
The Group received governmental funding from SkatteFUNN (R&D tax incentive scheme) and Innovation Norway amounting to USD 340 thousand in 2023, USD 665 thousand in 2022 and USD 256 thousand in 2021. The grants are mainly related to development projects and presented in the statement of financial position as a reduction in intangible assets. The grants are further recognised in the statement of comprehensive income over the life of the intangible assets to which it relates as a reduced amortisation expense.

A small portion of the grants received are related to the Group's operating expenses. These have been recognised as income in the same period to which the related expenses incurred and are presented in the table below.

Total other income

Other income (USD 1,000)	**2023**	**2022**	**2021**
Government grants	-	9	55
Total other income	**-**	**9**	**55**

The Group's government grants receivables are related to SkatteFUNN and presented in note 3.1.

Notes

Note 2.3 Cost of sales

Cost of sales (USD 1,000)	2023	2022	2021
Salaries and social expenses	3,236	3,133	1,517
Office operations	478	262	183
Operating costs	13,907	4,786	2,028
Travel expenses	58	93	75
Capitalisation of costs	-3,263	-2,735	-740
Other cost of sales	125	127	84
Cost of sales	**14,541**	**5,666**	**3,147**

Note 2.4 Selling, general and administrative expenses

Selling, general and administrative expenses (USD 1,000)	2023	2022	2021
Salaries and social expenses	781	1,878	932
Office operations	118	182	102
Travel expenses	40	57	15
Other selling, general and administrative expenses	920	854	697
Total selling, general and administrative expenses	**1,859**	**2,970**	**1,747**

Note 2.5 Employee benefit expenses and remuneration to auditor

Employee benefit expenses comprise of all types of remuneration to personnel employed by the Group and are expensed when incurred. Ordinary salaries can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll related costs including pensions. Pension contributions are earned on a monthly basis.

Shared-based payment expenses are related to the Group's option program (see note 6.8). Other employee expenses consist of other benefits such as insurance, telephones and remuneration to the Board of Directors.

Pension

The Group has a defined contribution pension plan for its employees in Norway which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Contributions are paid to pension insurance plans and recognised in the statement of comprehensive income in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Employee benefit expenses that are included in Cost of sales and Selling, general and administrative expenses consist of:

Employee benefit expenses (USD 1,000)	2023	2022	2021
Salaries	5,133	5,435	2,206
Social security expenses	541	500	233
Pension	278	248	117
Share-based payment expense	13	129	45
Capitalised cost	-2,262	-1,537	-219
Other employee expenses	323	249	74
Total employee benefit expenses	**4,028**	**5,023**	**2,456**
Average number of full time employees (FTEs)	49	49	35

Remuneration to the auditor (USD 1,000)	2023	2022	2021
Statutory audit fee	66	52	17
Other Services	20	8	5
Total remuneration to the auditor (excl. VAT)	**86**	**60**	**22**

Notes

Note 2.6 Depreciation and amortisation

Depreciation and amortisation expenses (USD 1000)	Note	2023	2022	2021
Amortisation of Intangible assets	5.1	170	143	96
Depreciation of Property, plant and equipment	5.2	3,022	1,038	52
Depreciation of Right-of-use assets	5.3	1,498	251	78
Total depreciation and amortisation expenses		**4,689**	**1,431**	**227**

Note 2.7 Finance income and expenses

Finance income (USD 1,000)	2023	2022	2021
Interest income	55	28	10
Other finance income	2	3	-
Foreign exchange gains	-	177	124
Total financial income	**56**	**208**	**135**

Finance expenses (USD 1,000)	2023	2022	2021
Interest expenses	950	607	-
Interest expense on lease liabilities	750	60	24
Foreign exchange losses	1,417	401	33
Other finance expenses	52	50	50
Total financial expenses	**3,168**	**1,117**	**107**

Interest income mainly represents income on cash deposits, and interest expenses are mainly related to the Group's seller credits and the Innovation Norway loans measured at amortised cost in the statement of financial position.

Note 2.8 Income tax

ACCOUNTING POLICIES

Current income tax
Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

As of 31 December 2021, the Group fully recognised tax losses carried forward as Argeo considered it to be probable that these taxable losses may be utilised in the near future. Further the Group had sufficient evidence to support recognition of deferred tax assets and thus the 50% probability threshold (“more likely than not”) is considered as passed.

As of 31 December 2022, and 31 December 2023, the Group has not recognised deferred tax assets. Unrecognised tax benefit will be utilized when the Group becomes profitable. There is no expiry on losses carried forward.

Current income tax expense (USD 1,000)	2023	2022	2021
Tax payable	-	-	11
Change deferred tax/deferred tax assets (ex. OCI effects)	79	1,109	-1,159
Total income tax expense	**79**	**1,109**	**-1,148**

Deferred tax assets (USD 1,000)	31.12.2023	31.12.2022	31.12.2021	1/1/2021
Property, plant and equipment	-188	255	-257	-14
Right-of-use assets (IFRS 16)	582	-40	-22	-
Liabilities	-2,084	-1,111	-347	-
Losses carried forward (including tax credit)	-28,033	-12,547	-4,672	-168
Basis for deferred tax assets	**-29,724**	**-13,442**	**-5,297**	**-182**
Calculated deferred tax assets	**-6,539**	**-2,957**	**-1,165**	**-40**
Deferred tax assets not recognised	-6,539	-2,957	-	-
Net deferred tax assets recognised in balance sheet	**-**	**-**	**-1,165**	**-40**

Reconciliation of income tax expense (USD 1,000)	2023	2022	2021
Profit or loss before tax	**-16,856**	**-7,816**	**-3,304**
Income tax expense 22% (Norwegian tax rate)	-3,708	-1,720	-727
Permanent differences*	-177	-213	-404
Effect of foreign tax rates	-11	-	-
Deferred tax assets not recognised current year	3,582	2,957	-
Currency effects	394	85	-16
Recognised income tax expense	**79**	**1,109**	**-1,148**

*The permanent differences are related to Skattefunn, IFRS adjustments and non-deductible representation.

Notes

Note 3.1 Trade and other receivables

ACCOUNTING POLICIES
Expected credit losses
The Group recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Conditions and policies for considering financial assets as in default and when they are written off are further described in note 6.1.

Trade receivables are generally on terms of 14 days.

Trade receivables (USD 1,000)	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Trade receivables from customers at nominal value	219	1,726	532	518
Total trade receivables	**219**	**1,726**	**532**	**518**

Other receivables (USD 1,000)	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Government grants	119	58	93	-
Prepaid expenses	1,943	711	7,706	4
Other	251	153	74	30
Unpaid share capital	1,758	3,646	-	-
Total other receivables	**4,071**	**4,570**	**7,873**	**34**

As at 31 December the ageing analysis of trade receivables is as follows:

		Days past due			
12/31/2023	**Not due**	**< 30 days**	**31-90 days**	**Over 90 days**	**Total**
Trade receivables	26	172	-	21	**219**

		Days past due			
12/31/2022	**Not due**	**< 30 days**	**31-90 days**	**Over 90 days**	**Total**
Trade receivables	1,726	-	-	-	**1,726**

		Days past due			
12/31/2021	**Not due**	**< 30 days**	**31-90 days**	**Over 90 days**	**Total**
Trade receivables	503	29	-	-	**532**

		Days past due			
1/1/2021	**Not due**	**< 30 days**	**31-90 days**	**Over 90 days**	**Total**
Trade receivables	518	-	-	-	**518**

For details regarding the Group's procedures on managing credit risk, reference is made to note 6.7.

Note 3.2 Other current liabilities

Trade and other payables (USD 1,000)	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Withholding payroll taxes	293	197	172	22
Salary related costs	1,116	582	291	53
Other accrued expenses	870	1,090	43	243
Unpaid share capital	-	3,646	-	-
Total other current liabilities	**2,280**	**5,515**	**506**	**319**

Note 3.3 Contract assets and liabilities

ACCOUNTING POLICIES
Contract assets
A contract asset is recognised when the Group has earned the right to consideration from a customer by transferring subsea services. The contract asset is reclassified to a receivable when the Group has unconditional right to receive payment.

Contract liabilities
A contract liability is recognised when the Group receives payment from a customer prior to delivering subsea services (prepayments). Contract liabilities are recognised as revenue as the Group performs under the contract.

Contract assets (USD 1,000)	12/31/2023	12/31/2022	12/31/2021
As of 1 January	**-**	**74**	**-**
Additions	1,916	336	76
Transferred to receivables during the year	1,364	404	-
Translation differences	-	-6	-2
Total contract assets	**552**	**-**	**74**

Contract liabilities (USD 1,000)	12/31/2023	12/31/2022	12/31/2021
At 1 January	**-**	**-**	**-**
Additions	3,428	-	-
Recognised as revenue during the year	1,203	-	-
Total contract liabilities	**2,225**	**-**	**-**

Notes

Note 3.3 Contract assets and liabilities

ACCOUNTING POLICIES

Contract assets

A contract asset is recognised when the Group has earned the right to consideration from a customer by transferring subsea services. The contract asset is reclassified to a receivable when the Group has unconditional right to receive payment.

Contract liabilities

A contract liability is recognised when the Group receives payment from a customer prior to delivering subsea services (prepayments). Contract liabilities are recognised as revenue as the Group performs under the contract.

Contract assets (USD 1,000)	12/31/2023	12/31/2022	12/31/2021
As of 1 January	**-**	**74**	**-**
Additions	1,916	336	76
Transferred to receivables during the year	1,364	404	-
Translation differences	-	-6	-2
Total contract assets	**552**	**-**	**74**

Contract liabilities (USD 1,000)	12/31/2023	12/31/2022	12/31/2021
At 1 January	**-**	**-**	**-**
Additions	3,428	-	-
Recognised as revenue during the year	1,203	-	-
Total contract liabilities	**2,225**	**-**	**-**

Note 3.4 Provisions

ACCOUNTING POLICIES

Provisions are liabilities with uncertain timing or amount and are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, that is, the amount that an entity would rationally pay to settle the obligation at the end of the financial year or to transfer it to a third party.

The Group classifies provisions in the following categories:

- Social security for share-based payments: contains a provision for the accrued social security on share options and restrictive share units which will be paid when the options are exercised/fully vested.
- Accrued bonus: bonus is determined by Group management based on an assessment of achievements.

Other commitments

The Group has guaranteed for office rent in Asker. The guarantee is limited to 6 months rental.

Provisions (USD 1,000)	Social security for share-based payments	Bonus	Total
At 1 January 2021	89	-	**89**
Additional provisions made	-	367	**367**
Unused amounts reversed	12	-	**12**
Translation difference	-3	-9	**-12**
At 31 December 2021	**75**	**358**	**456**
Current provisions	-	358	**358**
Non-current provisions	75	-	**75**

Provisions (USD 1,000)	Social security for share-based payments	Bonus	Total
At 1 January 2022	75	358	**432**
Additional provisions made	-	830	**830**
Amounts used	16	212	**228**
Unused amounts reversed	44	116	**160**
Translation difference	-6	50	**43**
At 31 December 2022	**8**	**810**	**1,693**
Current provisions	-	810	**810**
Non-current provisions	8	-	**8**

Provisions (USD 1,000)	Social security for share-based payments	Bonus	Total
At 1 January 2023	8	810	**819**
Additional provisions made	13	775	**788**
Amounts used	19	201	**220**
Unused amounts reversed	-	980	**980**
Translation difference	-	28	**28**
At 31 December 2023	**2**	**432**	**2,834**
Current provisions	-	432	**432**
Non-current provisions	2	-	**2**

Notes

Note 4.1 Overview of Group companies and associates

ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of Argeo AS and its subsidiaries as at 31 December 2023. The subsidiaries are consolidated when control is achieved as defined by IFRS 10. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following subsidiaries are included in the consolidated financial statements as of 31 December 2023:

Consolidated entities 31.12.2023	Location	Ownership	Establishment/ Acquisition
Argeo Survey AS	Norway	100%	May 2014
Argeo Robotics AS	Norway	100%	July 2019
Argeo Inc.	USA	100%	May 2021
Argeo Services PTE Ltd.	Singapore	100%	October 2021
Argeo do Brazil Ltda.	Brazil	100%	April 2022
Argeo Shipholding AS	Norway	100%	December 2023

Investments in joint ventures 31.12.2023		Ownership	Establishment/ acquisition
H1000 JV AS	Norway	50%	December 2020

The Group signed in January 2021 an agreement with Multiconsult for strategic cooperation to significantly improve quality for marine surveys and increase construction insight of the seabed conditions for large coastal development projects and offshore structure. As a part of the agreement, the parties established H1000 JV AS, owned 50/50 by Argeo Survey AS and Multiconsult. The Group's interest in H1000 JV AS is accounted for using the equity method in the consolidated financial statements.

Note 5.1 Intangible assets

ACCOUNTING POLICIES

Intangible assets acquired
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

Capitalisation of internal development costs
Internal development costs are recognised as an intangible asset when the Group can demonstrate the technical feasibility, intention, ability, and resources to complete and utilise the asset, as well as the generation of future economic benefits and reliable measurement of the expenditure during development. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development costs are expensed as incurred.

Useful lives and subsequent measurement
Intangible assets with finite useful lives are amortised over their economic life and assessed for impairment when indicators arise. In making the estimates of useful lives, the Group considers historical data, useful lives applied by comparable entities within the same industry as well as contractual terms of any entity-specific arrangements.

USD 1,000	Development	Software	Patents and licenses	Total
Acquisition cost 1 January 2021	**-**	**484**	**-**	**484**
Additions	485	22	64	**570**
Currency translation effects	-12	-16	-2	**-30**
Acquisition cost 31 December 2021	**473**	**490**	**62**	**1,025**
Additions	1,598	127	151	**1,876**
Move from development to software	-308	308	-	**-**
Currency translation effects	-88	-55	-10	**-152**
Acquisition cost 31 December 2022	**1,675**	**871**	**203**	**2,748**
Additions	1,509	1	14	**1,524**
Currency translation effects	9	-10	-	**-1**
Acquisition cost 31 December 2023	**3,192**	**862**	**217**	**4,271**

USD 1,000				
Accumulated amortisation 1 January 2021	**-**	**66**	**-**	**66**
Amortisation charge for the year	-	96	-	**96**
Currency translation effects	-	-5	-	**-5**
Accumulated amortisation 31 December 2021	**-**	**158**	**-**	**158**
Amortisation charge for the year	-	107	36	**143**
Currency translation effects	-	-17	-1	**-18**
Accumulated amortisation 31 December 2022	**-**	**248**	**35**	**282**
Amortisation charge for the year	-	130	40	**170**
Currency translation effects	-	28	0	**29**
Accumulated amortisation 31 December 2023	**-**	**406**	**75**	**481**
Carrying amount 01.01.2021	**-**	**418**	**-**	**418**
Carrying amount 31.12.2021	**473**	**332**	**62**	**867**
Carrying amount 31.12.2022	**1,675**	**623**	**168**	**2,466**
Carrying amount 31.12.2023	**3,192**	**456**	**142**	**3,790**
Economic life	N/A	5 years	5 years	
Depreciation method	N/A	Linear	Linear	

The capitalised development costs in 2023, 2022 and 2021 are mainly related to development of a 3D Geological modelling system, Argeo's digital twin solution "Argeo Scope", and various sensor solutions.

No indicators for impairment of intangible assets were identified in 2023, 2022 or 2021.

Note 5.2 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

The Group assesses, at each reporting date, whether there is an indication that Property, plant and equipment may be impaired. If such indication exists, the Group estimates the asset's recoverable amount which is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

USD 1,000	Vessels	AUV, USV	Misc. Equipment	Office equipment	Total
Acquisition cost 1 January 2021	**-**	**1,270**	**152**	**47**	**1,470**
Additions	-	16	268	144	**429**
Sale AUV	-	-1,270	-	-	**-1,270**
Currency translation effects	-	-	-12	-5	**-17**
Acquisition cost 31 December 2021	**-**	**16**	**409**	**186**	**611**
Additions	864	20,777	197	199	**22,037**
Currency translation effects	-20	-492	-48	-24	**-585**
Acquisition cost 31 December 2022	**844**	**20,301**	**558**	**361**	**22,064**
Additions	20,259	298	365	143	**21,064**
Sale equipment	-	-	-169	-	**-169**
Acquisition cost 31 December 2023	**21,102**	**20,598**	**754**	**504**	**42,959**
Acc.dep. & impairment 1 January 2021	**-**	**-**	**70**	**44**	**114**
Depreciation for the year	-	-	34	18	**52**
Currency translation effects	-	-	-3	-2	**-5**
Acc.dep. & impairment 31 December 2021	**-**	**-**	**101**	**61**	**162**
Depreciation for the year	-	835	123	80	**1,038**
Currency translation effects	-	23	-13	-10	**-1**
Acc.dep. & impairment 31 December 2022	**-**	**858**	**211**	**130**	**1,199**
Depreciation for the year	344	2,411	125	142	**3,022**
Impairment	-	2,700	-	-	**2,700**
Sale equipment	-	-	-133	-	**-133**
Currency translation effects	-	-52	-	-26	**-78**
Acc.dep. & impairment 31 December 2023	**344**	**5,916**	**203**	**246**	**6,709**
Carrying amount 01.01.2021	**-**	**1,270**	**82**	**3**	**1,355**
Carrying amount 31.12.2021	**-**	**16**	**308**	**125**	**450**
Carrying amount 31.12.2022	**844**	**19,443**	**348**	**230**	**20,865**
Carrying amount 31.12.2023	**20,759**	**14,682**	**551**	**259**	**36,250**
Economic life	5-10 years	7 years	3-5 years	3 years	
Depreciation method	Linear	Linear	Linear	Linear	

Additions in 2023 mainly reflects the purchase of the vessel SW Bell (renamed Argeo Venture) from Shearwater in November 2023, in addition to reactivation and upgrading cost for Argeo Venture.

An impairment indicator has been identified for two AUVs which are currently in lay-up and not in operational use. The AUVs do not have a foreseeable date for reactivation and an impairment test has been performed. An impairment charge of USD 2,7 million is based on a fair value approach. The impairment loss is presented on the line item "Impairment" in the statement of comprehensive income.

No indicators for impairment of property, plant and equipment were identified in 2022 or 2021.

Note 5.3 Right-of-use assets and lease liabilities

ACCOUNTING POLICIES

The Group as a lessee

At the commencement date of a lease, the Group recognises a lease liability and a right-of-use asset in the statement of financial position, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (with an underlying value of less than USD 5 thousands)

For these leases, the Group recognises the lease payments as Cost of sales or Selling, general and administrative expenses in the statement of comprehensive income.

The present value of the lease liability is calculated using the Group's incremental borrowing rate, which reflects the cost of borrowing assets of similar value.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included as revenue in the statement of comprehensive income due to its operating nature.

Sale and leaseback transactions (the Group as the buyer-lessor)

The Group applies the requirements in IFRS 15.31-34 to determine whether the transfer of an asset in a sale and leaseback transaction should be accounted for as a purchase. Where it is determined that control of the asset has passed from the seller-lessee to the Group, the transaction is accounted for as a purchase of the asset. The Group accounts for the purchase applying applicable standards (IAS 16 for property, plant and equipment) and for the lease applying the lessor accounting requirements in IFRS 16.

The Group acts as a buyer-lessor through the rental of AUVs. The Group's assets under these operating leases are included as property, plant and equipment (the "AUV, USV" category) in note 5.2. The rental income is specified in note 2.1.

The Group's leased assets

Office buildings

The Group leases office spaces in Norway (Asker and Tromsø), the US (Houston), Scotland (Edinburgh) and Brazil (Rio de Janeiro).

Vessels

The Group leases one vessel, Argeo Searcher, under a bareboat contract. The lease agreement includes a purchase option. The Group is currently reasonably certain that it will not exercise the option.

AUV

In 2023, the Group purchased one AUV; Hugin Superior 1 (delivered in Q4 2023). The purchase is financed through a lease agreement which has a lease term of 4 years. In addition, the Group has entered an agreement with the seller providing the Group the right to purchase the AUV at the end of the lease term.

Significant accounting judgements

Management has applied significant judgement when determining the accounting treatment of the Hugin Superior 1. The lease agreement and the purchase option agreement is accounted for in combination to best reflect the substance of the transaction. The Group is currently reasonably certain that it will exercise the option and the cash flows related to the option has therefore been included in the lease payments when calculating the lease liability and the right-of-use asset, in accordance with IFRS 16.27 (d).

Notes

Note 5.3 Right-of-use assets and lease liabilities (continued)

Right-of-use assets (USD 1,000)	Office Buildings	Vessels	AUV	Total
Balance as at 1 January 2021	-	-	-	**-**
Additions	781	-	-	**781**
Depreciation	78	-	-	**78**
Currency translation effects	18	-	-	**18**
Carrying amount 31 December 2021	**685**	**-**	**-**	**685**
Additions	9	-	-	**9**
Depreciation	251	-	-	**251**
Currency translation effects	67	-	-	**67**
Carrying amount 31 December 2022	**377**	**-**	**-**	**377**
Additions and remeasurements	826	8,317	10,428	**19,571**
Depreciation	276	965	257	**1,498**
Currency translation effects	5	-	-	**5**
Carrying amount 31 December 2023	**931**	**7,353**	**10,172**	**18,456**
Remaining lease term	1-4 years	5 years	4 years	
Depreciation method	Straight-line	Straight-line	Straight-line	

The Group’s lease liabilities are presented in the table below:

Change in the lease liabilities (USD 1,000)				Total
Balance as at 1 January 2021	-	-	-	-
New leases recognised during the year	781	-	-	781
Cash payments	80	-	-	80
Accretion of interest	24	-	-	24
Currency translation effects	-18	-	-	-18
Total lease liabilities at 31 December 2021	**707**	-	-	**707**
New leases recognised during the year	9	-	-	9
Cash payments	289	-	-	289
Accretion of interest	60	-	-	60
Currency translation effects	-70	-	-	-70
Total lease liabilities at 31 December 2022	**417**	**-**	**-**	**417**
New and remeasured leases recognised during the year	826	8,317	10,428	19,571
Cash payments	322	822	1,761	2,905
Accretion of interest	66	498	186	750
Currency translation effects	30	-	-	30
Total lease liabilities at 31 December 2023	**1,017**	**7,993**	**8,853**	**17,863**

Classification non-current vs current (USD 1,000)	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Current lease liabilities in the financial position	4,751	267	297	-
Non-current lease liabilities in the financial position	13,112	150	410	-

The Group had lease expenses related to low-value assets of USD 2 thousand in 2023 (2022: USD 2 thousand, 2021: USD 1 thousand).

Maturity of lease liabilities
For undiscounted lease liabilities and maturity of cash outflows, see note 6.3.

Note 6.1 Financial instruments

ACCOUNTING POLICIES

Classification of financial instruments
The Groups' financial instruments are grouped in the following categories:

Financial assets
The Group's financial assets mainly comprise trade and other receivables and cash and cash equivalents.

Reference is made to note 3.1 for information about the Group's policies related to estimating expected credit losses.

Financial liabilities
The Group's financial liabilities mainly comprise interest-bearing liabilities and trade payables.

Initial recognition and subsequent measurement
The Group's financial assets and liabilities are initially recognised at fair value, adjusted for directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in the statement of comprehensive income upon impairment, derecognition and through the EIR amortisation process. The EIR amortisation is included as finance expenses in the consolidated statement of comprehensive income.

The carrying amounts of the Group's financial assets and liabilities are presented in the tables below:

31 December 2023 (USD 1,000)	Note	Financial instruments at amortised cost	Total
Trade receivables	3.1	219	**219**
Cash and cash equivalents	6.5	5,340	**5,340**
Total financial assets		**5,559**	**5,559**
Non-current interest-bearing liabilities	6.2	4,940	**4,940**
Non-current lease liabilities	5.3	13,112	**13,112**
Current interest-bearing liabilities	6.2	2,394	**2,394**
Current lease liabilities	5.3	4,751	**4,751**
Trade payables	3.2	6,456	**6,456**
Total financial liabilities		**31,652**	**31,652**

31 December 2022 (USD 1,000)	Note	Financial instruments at amortised cost	Total
Trade receivables	3.1	1,726	**1,726**
Cash and cash equivalents	6.5	2,163	**2,163**
Total financial assets		**3,889**	**3,889**
Non-current interest-bearing liabilities	6.2	4,608	**4,608**
Non-current lease liabilities	5.3	150	**150**
Current interest-bearing liabilities	6.2	4,432	**4,432**
Current lease liabilities	5.3	267	**267**
Trade payables	3.2	2,410	**2,410**
Total financial liabilities		**11,867**	**11,867**

Notes

Note 6.1 Financial instruments (continued)

31 December 2021 (USD 1,000)	Note	Financial instruments at amortised cost	Total
Trade receivables	3.1	532	**532**
Cash and cash equivalents	6.5	7,468	**7,468**
Total financial assets		**8,000**	**8,000**
Non-current interest-bearing liabilities	6.2	519	**519**
Non-current lease liabilities	5.3	410	**410**
Current interest-bearing liabilities	6.2	154	**154**
Current lease liabilities	5.3	297	**297**
Trade payables	3.2	711	**711**
Total financial liabilities		**2,091**	**2,091**

1 January 2021 (USD 1,000)	Note	Financial instruments at amortised cost	Total
Trade receivables	3.1	518	**518**
Cash and cash equivalents	6.5	912	**912**
Total financial assets		**1,430**	**1,430**
Non-current interest-bearing liabilities	6.2	695	**695**
Current interest-bearing liabilities	6.2	89	**89**
Trade payables	3.2	1,447	**1,447**
Total financial liabilities		**2,231**	**2,231**

Note 6.2 Interest-bearing debt

Loans from Innovation Norway
The Group had three loans from Innovation Norway at the end of 2023 with floating rate, all currently bearing an interest at 7.95 %.

The Group was granted an NOK 20 million loan from Innovation Norway in December 2022. The loan was drawn with NOK 10 million in April 2023 and NOK 10 million in May 2023.

Seller's credits
The Group has been granted seller's credits related to purchases of AUVs. In accordance with IFRS 9, the Group has calculated and recognised the interest element implicit in the purchase price of the AUVs by calculating the net present value of future cash flows using a discount rate reflecting its incremental borrowing rate. Subsequently, the seller credit's are measured at their amortised cost using the effective interest rate method (EIR).

liabilities (USD 1,000)	rate	Maturity	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Seller's credit - A	12.80%	2026	1,971	1,768	-	-
Seller's credit - B	14.10%	2026	691	590		
Seller's credit - C	14.10%	2025	293	1,924	-	-
Loan Innovation Norway - A	7.95%*	2025	5	22	42	63
Loan Innovation Norway - B	7.95%*	2026	177	304	476	633
Loan Innovation Norway - C	7.95%*	2028	1,802	-	-	-
Non-current interest-bearing debt			**4,940**	**4,608**	**519**	**695**

Current interest-bearing liabilities (USD 1,000)	Interest rate	Maturity	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Seller's credit - B	14.10%	2026	-	644	-	-
Seller's credit - C	14.10%	2025	2,096	3,650	-	-
Loan Innovation Norway - A	7.95%*	2025	16	16	18	19
Loan Innovation Norway - B	7.95%*	2026	118	122	136	70
Loan Innovation Norway - C	7.95%*	2028	164	-	-	-
Current interest-bearing debt			**2,394**	**4,432**	**154**	**89**

**Innovation Norway may adjust the interest rate with a six week notice upon changes in underlying market rates. The interest rate increased to 8.20% from 2 February 2024.*

The reconciliation of changes in liabilities incurred as a result of financing activities are presented in note 6.3.

The Group has covenants related to the Innovation Norway funding (Loan Innovation Norway – C).
The covenants are measured half-yearly based on the Group’s ordinary financial reporting.

Assets pledged as security for secured liabilities
All three loans from Innovation Norway are secured with machinery and plant in Argeo Survey AS, Argeo AS and Argeo Robotics. Further, the loans are secured with the shares owned by Argeo Survey AS in its 50 % ownership in H1000 JV AS, a parent company guarantee from Argeo AS, and trade receivables in Argeo Survey AS.

Assets pledged as security (USD 1,000)	12/31/2023	12/31/2022	12/31/2021	1/1/2021
Secured balance sheet liabilities:				
Loan Innovation Norway - A	21	38	60	81
Loan Innovation Norway - B	295	426	612	703
Loan Innovation Norway - C	1,966	-	-	-
Value of assets pledged as security for secured liabilities:				
Property, plant and equipment	15,491	20,022	450	1,355
Trade receivables	166	1,722	-	-
Shares H1000 JV AS	152	233	621	-
Total assets pledged as security	**15,810**	**21,977**	**1,071**	**1,355**

The Group has not given any guarantees on behalf of third parties in the current or previous periods.

Notes

Note 6.3 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities are presented below:

		Remaining contractual maturity					
31.12.2023 (USD 1,000)	**Note**	**< 12 months**	**1-2 years**	**2-3 years**	**3-4 years**	**> 4 years**	**Total**
Seller's credit - A	6.2	2,575	-	-	-	-	**2,575**
Seller's credit - B		928	-	-	-	-	**928**
Seller's credit - C	6.2	2,096	524	-	-	-	**2,620**
Loan Innovation Norway - A	6.2	16	5	-	-	-	**21**
Loan Innovation Norway - B	6.2	118	118	59	-	-	**295**
Loan Innovation Norway - C	6.2	164	328	328	328	819	**1,966**
Trade payables	3.2	6,456	-	-	-	-	**6,456**
Lease liabilities	5.3	5,058	5,056	4,963	6,675	2,195	**23,947**
Total financial liabilities		**17,410**	**6,031**	**5,349**	**7,002**	**3,015**	**38,808**

31.12.2022 (USD 1,000)	**Note**	**< 12 months**	**1-2 years**	**2-3 years**	**3-4 years**	**> 4 years**	**Total**
Seller's credit - A	6.2	1,716	859	-	-	-	**2,575**
Seller's credit - B		781	779	-	-	-	**1,560**
Seller's credit - C	6.2	3,583	2,096	524	-	-	**6,203**
Loan Innovation Norway - A	6.2	16	16	5	-	-	**38**
Loan Innovation Norway - B	6.2	122	122	122	61	-	**426**
Trade payables	3.2	2,410	-	-	-		**2,410**
Lease liabilities	5.3	3	3	1	-	-	**8**
Total financial liabilities		**8,632**	**3,876**	**652**	**61**	**-**	**13,220**

		Remaining contractual maturity					
31.12.2021 (USD 1,000)	**Note**	**< 12 months**	**1-2 years**	**2-3 years**	**3-4 years**	**> 4 years**	**Total**
Loan Innovation Norway - A	6.2	18	18	18	6	-	**60**
Loan Innovation Norway - B	6.2	136	136	136	136	68	**612**
Trade payables	3.2	711	-	-	-	-	**711**
Lease liabilities	5.3	320	-	-	-	-	**320**
Total financial liabilities		**1,186**	**154**	**154**	**142**	**68**	**1,704**

		Remaining contractual maturity					
01.01.2021 (USD 1,000)	**Note**	**< 12 months**	**1-2 years**	**2-3 years**	**3-4 years**	**> 4 years**	**Total**
Loan Innovation Norway - A	6.2	19	19	19	19	6	**81**
Loan Innovation Norway - B	6.2	70	141	141	141	211	**703**
Trade payables	3.2	1,447	-	-	-	-	**1,447**
Lease liabilities	5.3	-	-	-	-	-	**-**
Total financial liabilities		**1,536**	**159**	**159**	**159**	**217**	**2,231**

Note 6.3 Ageing of financial liabilities (continued)

Reconciliation of changes in liabilities incurred as a result of financing activities:

				Non-cash changes			
USD 1,000	**Note**	**01.01.2023**	**Cash flow effect**	**Foreign exchange movement**	**New leases recognised**	**Other Changes**	**31.12.2023**
Interest-bearing debt	6.1	9,040	-2,669	197	-	765	**7,333**
Lease liabilities	5.3	417	-2,905	30	19,571	750	**17,863**
Total liabilities from financing		**9,457**	**-5,574**	**227**	**19,571**	**1,515**	**25,196**

				Non-cash changes			
USD 1,000	**Note**	**01.01.2022**	**Cash flow effect**	**Foreign exchange movement**	**New leases recognised**	**Other Changes**	**31.12.2022**
Interest-bearing debt	6.1	673	10,055	649	-	-2,337	**9,040**
Lease liabilities	5.3	707	-289	-70	9	60	**417**
Total liabilities from financing		**1,380**	**9,766**	**579**	**9**	**-2,277**	**9,457**

				Non-cash changes			
USD 1,000	**Note**	**01.01.2021**	**Cash flow effect**	**Foreign exchange movement**	**New leases recognised**	**Other Changes**	**31.12.2021**
Interest-bearing debt	6.1	784	-88	-23	-	-	**673**
Lease liabilities	5.3	-	-80	-18	781	24	**707**
Total liabilities from financing		**784**	**-169**	**-41**	**781**	**24**	**1,380**

Notes

Note 6.4 Fair value measurement

ACCOUNTING POLICIES

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and cash equivalents, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the current risk free interest rates.

Interest-bearing debt

For the interest-bearing liabilities, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is close to current market rates. The fair values of Interest-bearing liabilities are based on discounted cash flows using the current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Note 6.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and banks which is subject to an insignificant risk of changes in value. Restricted bank deposits comprise of cash for withholding taxes which may not be used for other purposes.

Cash and cash equivalents (USD 1,000)	**12/31/2023**	**12/31/2022**	**12/31/2021**	**1/1/2021**
Bank deposits, unrestricted	5,064	1,965	7,248	890
Bank deposits, restricted	276	198	220	22
Total cash and cash equivalents	**5,340**	**2,163**	**7,468**	**912**

Bank deposits earns a low interest at floating rates based on the bank deposit rates.

Note 6.6 Share capital and shareholders information

The Group's share capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a healthy working capital and financial stability in order to support its growing business operations and to maximise shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or issue debt.

ACCOUNTING POLICIES

Costs related to equity transactions

Direct and incremental transaction costs are deducted from equity, net of associated income tax.

Distribution to shareholders

The Group recognises a liability to make distributions to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. No distributions were made to shareholders in the current or prior periods. Further, there are no proposed dividends.

The ultimate parent

Argeo AS is the ultimate parent of the Group.

All shares are ordinary and have the same voting rights and rights to dividends. Reconciliation of the Group's equity is presented in the statement of changes in equity.

Issued capital and reserves:

Share capital in Argeo AS	**Number of shares issued and fully paid**	**Par value per share (NOK)**	**Financial position (USD 1,000)**
At 1 January 2021	**6,100,000**	**0.1**	**71**
Share capital increase April	21,341,463	0.1	248
At 31 December 2021	**27,441,463**	**0.1**	**320**
Share capital increase April	15,000,000	0.1	156
Share capital increase April	139,337	0.1	1
Share capital increase December	8,516,160	0.1	88
At 31 December 2022	**51,096,960**	**0.1**	**565**
Share capital increase January	21,783,840	0.1	213
Share capital increase February	3,124,368	0.1	31
Share capital increase February	139,337	0.1	1
Share capital increase June	15,576,168	0.1	146
Share capital increase July	2,670,531	0.1	25
Share capital increase October	78,125,000	0.1	721
Share capital increase November	20,123,625	0.1	186
Share capital increase November	260,095	0.1	2
At 31 December 2023	**192,899,924**	**0.1**	**1,890**

A private placement of 30 300 000 new shares was made in December 2022, raising gross proceeds of NOK 50 million. The placement consisted of one tranche of 8 516 160 new shares, and a second tranche of 21 783 840 new shares.

A private placement of 15 576 168 new shares was made in June 2023 at NOK 2.75 per share, raising gross proceeds of approximately NOK 43 million.

A private placement of 78 125 000 new shares at NOK 3.20 per share was completed in October 2023, raising gross proceeds of NOK 250 million. Furthermore, the Company issued 20 123 625 new consideration shares to Shearwater as part settlement for the Vessel acquisition.

Notes

Note 6.6 Share capital and shareholders information (continued)

Shareholders in Argeo AS at 31 December 2023	Total shares	Ownership/voting rights
KISTEFOS AS	32,621,837	16.9 %
SHEARWATER GEOSERVICES HOLDING AS	20,123,625	10.4 %
LANGEBRU AS	14,000,000	7.3 %
PRO AS	8,720,527	4.5 %
NORDNET LIVSFORSIKRING AS	7,482,086	3.9 %
REDBACK AS	6,794,512	3.5 %
ØSTERBRIS OFFSHORE AS	6,454,545	3.3 %
ASCENT AS	4,646,572	2.4 %
MP PENSJON PK	4,374,455	2.3 %
DNB BANK ASA	4,100,051	2.1 %
SPAREBANK 1 MARKETS AS	3,935,436	2.0 %
DNB Markets Aksjehandel/-analyse	2,672,795	1.4 %
HUNDERI HOLDING AS	2,135,013	1.1 %
TROPTIMA AS	1,830,968	0.9 %
STAVANGER KOMMUNE	1,684,370	0.9 %
Performa Consulting AS	1,630,968	0.8 %
TIGERSTADEN AS	1,500,000	0.8 %
HAUGEN	1,418,000	0.7 %
EKS AS	1,369,000	0.7 %
Nordnet Bank AB	1,238,000	0.6 %
Other	64,167,164	33.3 %
Total	**192,899,924**	**100%**

Note 6.7 Financial risk management

Overview
The Group is exposed to a range of risks affecting its financial performance, including market risk, interest rate risk, credit risk and liquidity risk. The Group seeks to minimise potential adverse risks through sound business practice and risk management.

Market risk
Financial instruments affected by market risk include interest-bearing debt (loans from Innovation Norway), cash and cash equivalents, trade and other receivables, lease liabilities and trade payables.

Interest rate risk
The Group's exposure to the risk of changes in interest rates relates primarily to the below-market interest loans from Innovation Norway. Management therefore considers the interest rate risk to be low.

Foreign currency risk
The Group is exposed to currency fluctuations due to the international nature of its operations. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to it's operating activities (revenue and expenses denominated in foreign currency). A significant portion of the Group's revenues and operating costs are denominated in USD, in addition to some exposure to NOK, EUR and GBP. The Group does not currently hedge currency exposure with the use of financial instruments, but monitors the net exposure over time.

Other market risks
War in Ukraine and Israel/Gaza: the ongoing wars do not currently impact the Group directly, as it has no operating presence in either Russia, Belarus, Ukraine, Israel or Gaza. Indirect effects however, such as financial market volatility, sanctions related knock-on-effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position. The Group's management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

Interest rate sensitivity
The sensitivity to a possible change in interest rates related to the Group's loans from Innovation Norway, with all other variables held constant, on the Group's profit before tax, is illustrated below. In calculating the sensitivity analyses, the Group assumes that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective financial risks.

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax (+/-) (USD 1,000)
31 December 2023	+/- 100	23

Foreign currency sensitivity
The following table illustrates the sensitivity for a hypothetical increase or decrease in the foreign exchange rates related to the Group's financial assets (trade receivables and cash and cash equivalents) and liabilities (trade payables and interest-bearing debt) holding all other variables constant:

All amounts in USD thousand	Date	Change in FX rate	Effect on profit before tax (USD 1,000)
Increase / decrease in USD/NOK	12/31/2023	+/- 10%	-43
Increase / decrease in USD/GBP	12/31/2023	+/- 10%	87
Increase / decrease in USD/EUR	12/31/2023	+/- 10%	-159

The Group holds no financial instrument at fair value through other comprehensive income (FVTOCI) and hence the effect on equity is zero.

Notes

Note 6.7 Capital and risk management (continued)

Liquidity risk
Management of liquidity risk is given high priority. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents, seeking the availability of equity funding and debt funding, and by continuously monitoring forecasts and actual cash flows.

To further improve its liquidity position, the Group secured a NOK 20 million loan from Innovation Norway in December 2022. The loan was drawn with NOK 10 million in April 2023 and NOK 10 million in May 2023. The Group also raised gross proceeds of NOK 250 million through a private placement in October 2023. The liquidity risk is hence considered to be at a reasonable level.

An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 6.3.

Credit risk
The Group is mainly exposed to credit risk from its operating activities. The risk is minimised through trading with creditworthy third parties and monitoring of receivable balances on an ongoing basis. The Group has not yet experienced any losses on receivables. However, the increased operations of the Group outside the home market exposes the Group to different credit risk environments. Management deems the Group's credit risk to be at an acceptable level given the current operational circumstances and the outlook of the Group.

Reference is made to note 3.1 for an overview of the ageing of trade receivables and a description of the expected credit loss model.

6.8 Share-based payment

ACCOUNTING POLICIES

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the grant date using the Black-Scholes-Merton Model (“BSM”). The cost is recognised as an employee benefits expense, with a corresponding increase in equity (other capital reserves), over the vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the Group’s best estimate of the number of equity instruments that will ultimately vest.

Vesting under the Group’s option/warrant schemes is subject to employment by the Group (service condition). Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

Options
Each option grant vest 1/3 each year over the first 3 years and is subject to employment by the Group. The last possible exercise date 5 years from the grant date.

Warrants
The warrants vest immediately at the grant date and is subject to employment by the Group. The warrants expire 5 years after the grant date.

Share options held by executive management and members of the board are summarised in note 7.1

USD 13 thousand was expensed as employee benefit expenses in 2023 (2022: USD 129 thousand, 2021: USD 45 thousand). The expected future social security tax on share-based payments is recorded as a liability and disclosed in note 3.4.

Movements during the year
The following tables illustrate the number and weighted average exercise prices (WEAP) of, and movements in, share options and warrants during the year:

	2023 WEAP (NOK)	2023 Number	2022 WEAP (NOK)	2022 Number	2021 WEAP (NOK)	2021 Number
Outstanding options 1 January	**8.20**	**895,000**	**8.20**	**975,000**	**-**	**-**
Options granted	-	-	-	-	8.20	975,000
Options forfeited	8.20	183,334	8.20	80,000	-	-
Outstanding options 31 December		**711,666**		**895,000**		**975,000**
Exercisable at 31 December		593,328		531,654		210,000

The weighted average remaining contractual life for the options outstanding as at 31 December 2023 was 2,96 years (2022: 3,96 years, 2021: 4,96 years).

The weighted average fair value of options granted in 2021 was NOK 2,62 (2023: no grants, 2022: no grants).

Notes

6.8 Share-based payment (continued)

	2023 WAEP (NOK)	2023 Number	2022 WAEP (NOK)	2022 Number	2021 WAEP (NOK)	2021 Number
Outstanding warrants 1 January	1.80	485,435	1.46	624,772	1.46	624,772
Warrants exercised*	0.28	399,435	0.28	139,337	-	-
Outstanding warrants 31 December		**86,000**		**485,435**		**624,772**
Exercisable at 31 December		86,000		485,435		624,772

*The weighted average share price at the date of exercise of these warrants was NOK 0,28.

The weighted average remaining contractual life for the warrants outstanding as at 31 December 2023 was 1,31 years (2022: 1,32 years, 2021: 2,28 years).

Overview of outstanding options and warrants at 31 December 2023

Outstanding options 31 December 2023	Exercise price (NOK)	Number of outstanding options	Weighted average remaining contractual life	Number of options exercisable
	8.20	711,666	2.96	593,328
Total outstanding options 31 December 2023		**711,666**		**593,328**
Outstanding warrants 31 December 2023				
	0.83	50,000	1.69	50,000
	20.00	36,000	0.79	36,000
Total outstanding warrants 31 December 2023		**86,000**		**86,000**
Total outstanding options and warrants 31 December 2023		**797,666**		**679,328**

Overview of outstanding options and warrants at 31 December 2022

Outstanding options 31 December 2022	Exercise price (NOK)	Number of outstanding options	Weighted average remaining contractual life	Number of options exercisable
	8.20	895,000	3.96	531,654
Total outstanding options 31 December 2022		**895,000**		**531,654**
Outstanding warrants 31 December 2022	0.28	399,435	1.11	399,435
	0.83	50,000	2.69	50,000
	20.00	36,000	1.79	36,000
Total outstanding warrants 31 December 2022		**485,435**		**485,435**
Total outstanding options and warrants 31 December 2022		**1,380,435**		**1,017,089**

6.8 Share-based payment (continued)

Overview of outstanding options and warrants at 31 December 2021

Outstanding options 31 December 2021	Exercise price (NOK)	Number of outstanding options	Weighted average remaining contractual life	Number of options exercisable
	8.20	975,000	4.96	210,000
Total outstanding options 31 December 2021		**975,000**		**210,000**
Outstanding warrants 31 December 2021	0.28	538,772	2.11	538,772
	0.83	50,000	3.69	50,000
	20.00	36,000	2.79	36,000
Total outstanding warrants 31 December 2021		**624,772**		**624,772**
Total outstanding options and warrants 31 December 2021		**1,599,772**		**834,772**

Overview of outstanding options and warrants at 1 January 2021

Outstanding options 1 January 2021	Exercise price (NOK)	Number of outstanding options	Weighted average remaining contractual life	Number of options exercisable
	-	-	-	-
Total outstanding options 1 January 2021		**-**		**-**
Outstanding warrants 1 January 2021	0.28	538,772	3.11	538,772
	0.83	50,000	4.69	50,000
	20.00	36,000	3.79	36,000
Total outstanding warrants 1 January 2021		**624,772**		**624,772**
Total outstanding options and warrants 1 January 2021		**624,772**		**624,772**

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the options, volatility and dividend yield and making assumptions about them. Due to limited historical data and liquidity these assumptions include significant estimates by management.

Assumptions used to determine fair value of option grants

The following table lists the inputs to the model used for the option plan in 2021 (there were no grants of warrants or options in 2023 or 2022).

	2023	2022	2021
Weighted average fair values at the measurement date (NOK)	-	-	2.62
Dividend yield (%)	-	-	0%
Expected volatility (%)	-	-	60%
Risk–free interest rate (%)	-	-	1.18%
Expected life of share options (years)	-	-	2.28
Weighted average share price (NOK)	-	-	7.86
Weighted average exercise price (NOK)	-	-	8.20
Model used	-	-	BSM

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes

6.9 Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS calculations:

USD	2023	2022	2021
Loss attributable to ordinary equity holders - for basic EPS	-16,935,221	-8,925,817	-2,156,336
Loss attributable to ordinary equity holders adjusted for the effect of dilution*	-16,935,221	-8,925,817	-2,156,336
Weighted average number of ordinary shares - for basic EPS	103,421,565	38,868,378	20,992,120
Weighted average number of ordinary shares adjusted for the effect of dilution	106,999,729	44,080,133	24,284,131
Basic EPS - profit or loss attributable to equity holders of the Company	**-0.16**	**-0.23**	**-0.10**
Diluted EPS - profit or loss attributable to equity holders of the Company*	**-0.16**	**-0.23**	**-0.10**

*The ordinary shares are not adjusted for the effect of dilution as the effect of including the additional shares is anti-dilutive.

7.1 Remuneration to Executive Management and the Board

Remuneration to the Board of Directors

Remuneration for the members of the Board is determined by the Annual General Meeting (AGM). The remuneration is not linked to the Group's performance but reflects the Board's responsibilities, expertise, time and commitment. Remuneration of the Board of Directors consist of a fixed annual fee, adopted by the General Meeting on 15 June 2023.

The Board of Directors also receive compensation in the form of share options/warrants under the Group's share-based payment incentive described in note 6.8. The share options/warrants held by the Board of Directors are presented further below.

Remuneration to executive management

The Board of Argeo AS determines the principles applicable to the Group's policy for compensation to executive management. The Board is directly responsible for determining the CEO's salary and other benefits. The Group's executive management team includes the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Technology Officer (CTO).

Bonus

In addition to base salary, the CEO is entitled to a bonus determined by the Board of Directors. The bonus is based on an assessment of achievements.

Share-based payment

Members of the Executive Management have been granted share options/warrants under the Group's share-based payment incentive described in note 6.8. The share options/warrants held by the Executive Management team are presented further below.

Pension

All members of the executive management team are part of the defined contribution pension scheme.

Severance Arrangements

If the CEO is terminated by the Company, he is entitled to twelve months' severance pay in addition to the ordinary notice period of six months. There are no severance arrangements for the Chair of the Board.

Loans and guarantees

No loans have been granted and no guarantees have been issued to members of the Executive Management team or any member of the Board of Director in the current or prior reporting periods.

7.1 Remuneration to Executive Management and the Board (continued)

Remuneration to executive management for the year ended 31 December 2023 (USD 1,000)

Name	Title	Salary	Bonus	Pension	Other compensation	Total remuneration
Trond F. Crantz	CEO	218	18	13	20	269
Other management		434	28	26	5	493
Total		**652**	**46**	**39**	**25**	**762**

Remuneration to executive management for the year ended 31 December 2022 (USD 1,000)

Name	Title	Salary	Bonus	Pension	Other compensation	Total remuneration
Trond F. Crantz	CEO	217	73	13	2	305
Other management		517	109	31	7	664
Total		**734**	**182**	**44**	**9**	**969**

Remuneration to Executive Management for the year ended 31 December 2021 (USD 1,000)

Name	Title	Salary	Bonus	Pension	Other compensation	Total remuneration
Trond F. Crantz	CEO	196	-	12	2	210
Other management		282	-	17	4	303
Total		**479**	**-**	**29**	**6**	**513**

Remuneration to the Board of Directors for the year ended 31 December (USD 1,000)

Name	Title	2023	2022	2021
Jan P. Grimnes [1]	Chair of the Board	28	31	26
Jim Dåtland [2]	Board Member	14	16	13
Heidi Gryteland Holm [3]	Board Member	14	8	-
Geir Kaasen [4]	Board Member	14	16	13
Lars Petter Utseth [5]	Board Member	14	13	-
Andreas Hveding Aubert [6]	Board Member	2	-	-
Arne Kjørsvik [7]	Board Member	12	16	13
Ann-Christin G. Andersen [8]	Board Member	-	1	13
Total		**99**	**100**	**78**

1) Chair of the Board from 23.04.2021
2) Board member from 23.04.2021
3) Board member from 20.09.2022
4) Board member from 23.04.2021
5) Board member from 22.02.2023
6) Board member from 10.11.2023
7) Board member from 23.04.2021 - 10.11.2023
8) Board member from 23.04.2021 - 23.02.2022

Notes

7.1 Remuneration to Executive Management and the Board (continued)

Shares held by the CEO and members of the Board at 31 December 2023

Name	Title	No. of shares	Ownership/voting rights (%)
Trond F. Crantz [1]	CEO	4,646,572	2.4 %
Jan P. Grimnes [2]	Chair of the Board	6,794,512	3.5 %
Jim Dåtland	Board member	-	0.0 %
Heidi Gryteland Holm	Board member	-	0.0 %
Geir Kaasen [3]	Board member	109,662	0.1 %
Lars Petter Utseth [4]	Board member	40,671,838	21.1 %
Andreas Hveding Aubert	Board member	-	0.0 %
Total		**52,222,584**	**27.1 %**

1) Through Ascent AS
2) Chair of the Board in Redback AS (majority shareholder together with closely relatives)
3) Through Eurovest AS
4) Through Kistefos AS

Shares held by the CEO and members of the Board at 31 December 2022

Name	Title	No. of shares	Ownership/voting rights (%)
Trond F. Crantz	CEO	2,307,235	4.5 %
Jan P. Grimnes	Chair of the Board	2,469,512	4.8 %
Geir Kaasen	Board member	109,662	0.2 %
Total		**4,886,409**	**9.6 %**

Shares held by the CEO and members of the Board at 31 December 2021

Name	Title	No. of shares	Ownership/voting rights (%)
Trond F. Crantz	CEO	2,067,898	7.5 %
Jan P. Grimnes	Chair of the Board	1,469,512	5.4 %
Geir Kaasen	Board member	109,662	0.4 %
Total		**3,647,072**	**13.3 %**

Shares held by the CEO and members of the Board at 1 January 2021

Name	Title	No. of shares	Ownership/voting rights (%)
Trond F. Crantz	CEO and Chair of the Board	2,067,898	33.9 %
Thorbjørn Rekdal	Board member	1,770,968	29.0 %
Tor Anders Melheim [1]	Board member	1,630,968	26.7 %
Total		**5,469,834**	**89.7 %**

1) Through Performa Consulting AS

7.1 Remuneration to Executive Management and the Board (continued)

Share options/warrants held by executive management and the Board at 31 December 2023

Name	Title	Options/ Warrants	Outstanding options/ warrants	Strike price (NOK)	Remaining life (years)
Other management		*Options*	100,000	8.20	2.96
		Warrants	18,000	20.00	0.50
Jan P. Grimnes	Chairman	*Options*	70,000	8.20	2.96
Jim Dåtland	Board member	*Options*	70,000	8.20	2.96
Geir Kaasen	Board member	*Options*	70,000	8.20	2.96
		Warrants	50,000	0.83	1.69
Total			**378,000**		

Share options/warrants held by executive management and the Board at 31 December 2022

Name	Title	Options/ Warrants	Outstanding options/ warrants	Strike price (NOK)	Remaining life (years)
Trond F. Crantz	CEO	*Warrants*	139,338	0.28	1.11
Other management		*Options*	170,000	8.20	3.96
		Warrants	18,000	20.00	1.50
Jan P. Grimnes	Chairman	*Options*	70,000	8.20	3.96
Geir Kaasen	Board member	*Options*	70,000	8.20	3.96
		Warrants	50,000	0.83	2.69
Ann-Christin Andersen	Board member	*Options*	70,000	8.20	3.96
Jim Dåtland	Board member	*Options*	70,000	8.20	3.96
Arne Kjørsvik	Board member	*Options*	70,000	8.20	3.96
Total options and warrants			**727,338**		

Notes

7.1 Remuneration to Executive Management and the Board (continued)

Share options/warrants held by executive management and the Board at 31 December 2021

Name	Title	Options/ Warrants	Outstanding options/ warrants	Strike price (NOK)	Remaining life (years)
Trond F. Crantz	CEO	*Options*	-	-	-
		Warrants	278,675	0.28	2.11
Other management		*Options*	170,000	8.20	4.96
		Warrants	18,000	20.00	2.50
Jan P. Grimnes	Chairman	*Options*	70,000	8.20	4.96
		Warrants	-	-	-
Geir Kaasen	Board member	*Options*	70,000	8.20	4.96
		Warrants	50,000	0.83	3.69
Ann-Christin Andersen	Board member	*Options*	70,000	8.20	4.96
		Warrants	-	-	-
Jim Dåtland	Board member	*Options*	70,000	8.20	4.96
		Warrants	-	-	-
Arne Kjørsvik	Board member	*Options*	70,000	8.20	4.96
		Warrants	-	-	-
Total			**866,675**		

Share options/warrants held by executive management and the Board at 1 January 2021

Name	Title	Options/ Warrants	Outstanding options/ warrants	Strike price (NOK)	Remaining life (years)
Trond F. Crantz	CEO and Chairman	*Options*	-	-	-
		Warrants	278,675	0.28	3.11
Thorbjørn Rekdal	Board member	*Options*	-	-	-
		Warrants	18,000	20.00	3.50
Geir Kaasen	Board member	*Options*	-	-	-
		Warrants	50,000	0.83	4.68
Total			**346,675**		

7.2 Related party transactions

Related parties are major shareholders, members of the Board and the Executive Management team in the Group. Note 6.6 provides information on the Group's major shareholders. Significant agreements and remuneration paid to Executive management and the Board for the current and prior periods are presented in note 7.1.

All transactions within the Group or with other related parties are based on the principle of arm's length.

The following tables provide the total amount of transactions and balances with related parties (outside the Group) for the relevant financial periods:

Related party transactions (USD 1,000)	2023	2022	2021
Executive Management	762	969	513
Board Member	99	100	78
Total	**861**	**1,069**	**592**

Payments to related parties in 2023, 2022 and 2021 include remuneration paid to Executive management and the Board of Directors (refer to note 7.1).

Notes

Note 7.3 First time adoption of IFRS

These financial statements for the year ended 31 December 2023 represent the first consolidated financial statements of the Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The financial statements are prepared to comply with IFRS applicable as of 31 December 2023, with comparative figures for the year ended 31 December 2022 and 2021. In preparing the financial statements, the opening statement of financial position was prepared as of 1 January 2021, the date of transition to IFRS.

This note explains the principal adjustments made by the Group in its transition to IFRS from its previous reporting framework; Norwegian Generally Accepted Accounting Principles for small entities (NGAAP) as of 1 January 2021 and for the periods ended 31 December 2021 and 2022.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application requirements under IFRS. The Group has chosen to apply the following exemptions:

- Restate contract with customers: the Group has decided to use the practical expedient in IFRS 15 *Revenue from Contracts with Customers* to not restate contracts that are completed at the transition date, 1 January 2021. IFRS 1 defines a completed contract as a contract for which the entity has transferred all of the goods or services as identified in accordance with previous GAAP.

- Cumulative translations differences: as at 1 January 2021, the Group has set its cumulative translation differences that existed at the transition date to IFRS for all foreign operations as zero.

- Leases: the Group has chosen to measure the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the transition date and measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the transition date (IFRS 1.D9B).

Effect of transition to IFRS
The main differences recognised at the transition to IFRS are:

- Recognition of right-of-use assets and lease liabilities with corresponding depreciation and interest expenses, which was previously expensed as part of operating expenses.
- Recognition of the Group's seller credits in accordance with IFRS 9 (fair value adjustment).
- Recognition of the Group's share-based payment incentives (warrants and options) in the consolidated statement of financial position.

The impact of the IFRS adjustments on the consolidated statement of financial position when transitioning from NGAAP as at 1 January 2021, 31 December 2021 and 31 December 2022 are described in detail below. Additionally, the impact of the IFRS adjustments on the consolidated statement of comprehensive income and the consolidated statement of cash flows are described in detail further below. NGAAP figures presented below are based on previously reported annual reports and translated to USD by using end rates for the statement of financial position and average rates for the statement of comprehensive income. Note that the mapping of certain line items under the previous GAAP in the reconciliation below has been adjusted to reflect the mapping of the Group's IFRS financial statements.

Note 7.3 First time adoption of IFRS (continued)

Reconciliation of consolidated financial position as of 1 January 2021

USD 1,000	Note	NGAAP	IFRS adjustments	IFRS
Intangible assets		418	-	418
Deferred tax asset		40	-	40
Property, plant and equipment		1 355	-	1 355
Total non-current assets		**1 814**	**-**	**1 814**
Trade receivables		518	-	518
Other receivables		34	-	34
Cash and cash equivalents		912	-	912
Total current assets		**1 464**	**-**	**1 464**
Total assets		**3 277**	**-**	**3 277**

USD 1,000	Note	NGAAP	IFRS adjustments	IFRS
Share capital		71	-	**71**
Share premium		795	-	**795**
Other capital reserves	**A**	-	38	**38**
Other equity	**C**	-139	-127	**-266**
Total equity		**727**	**-89**	**638**
Non-current interest-bearing liabilities	**D**	784	-89	**695**
Non-current lease liabilities		-	-	**-**
Non-current provisions	**B**	-	89	**89**
Total non-current liabilities		**784**	**-**	**784**
Current interest-bearing liabilities	**D**	-	89	**89**
Trade and other payables		1 447	-	**1 447**
Other current liabilities		319	-	**319**
Total current liabilities		**1 766**	89	**1 855**
Total liabilities		**2 550**	**89**	**2 639**
Total equity and liabilities		**3 277**	**-**	**3 277**

A: The IFRS adjustment of USD 38 thousand reflects the recognition of the Group's share-based payment incentive (warrants). Under NGAAP, the warrants were not reflected in the Group's consolidated statement of financial position. Under IFRS 2, the warrants are recognised in the statement of comprehensive income with a corresponding adjustment at the grant date.

B: The IFRS adjustment of USD 89 thousand reflects the non-current provision for accrued social security on warrants which will be paid when the warrants are exercised.

C: The IFRS adjustment of USD 89 thousand reflects the effect on equity related to the IFRS adjustments described above.

D: The IFRS adjustment of USD 89 thousand reflects the current portion of the Group's loans from Innovation Norway. Under the previous GAAP, the current and non-current portion of the loans was not presented separately in the consolidated statement of financial position.

Notes

Note 7.3 First time adoption of IFRS (continued)

Reconciliation of consolidated financial position as of 31 December 2021

All amounts in USD thousands	Note	NGAAP	IFRS adjustments	IFRS
Intangible assets		867	-	**867**
Deferred tax asset	G	1 163	2	**1 166**
Right-of-use assets	A	-	685	**685**
Property, plant and equipment		450	-	**450**
Investment in joint venture		621	-	**621**
Total non-current assets		**3 101**	**688**	**3 789**
Trade receivables		532	-	**532**
Other receivables		7 873	-	**7 873**
Cash and cash equivalents		7 468	-	**7 468**
Contract assets		74	-	**74**
Total current assets		**15 947**	**-**	**15 947**
Total assets		**19 048**	**688**	**19 735**

All amounts in USD thousands	Note	NGAAP	IFRS adjustments	IFRS
Share capital		320	-	**320**
Share premium		19 143	-	**19 143**
Other capital reserves	E	-	1 507	**1 507**
Other equity	F	-2 672	-1 603	**-4 275**
Total equity		**16 791**	**-97**	**16 694**
Non-current interest-bearing liabilities	C	673	-154	**519**
Non-current lease liabilities	B	-	410	**410**
Non-current provisions	D	-	75	**75**
Total non-current liabilities		**673**	**331**	**1 004**
Current interest-bearing liabilities	C	-	154	**154**
Trade and other payables		711	-	**711**
Current lease liabilities	B	-	297	**297**
Current provisions		358	-	**358**
Income tax payable		11	-	**11**
Other current liabilities		506	-	**506**
Total current liabilities		**1 587**	**451**	**2 038**
Total liabilities		**2 259**	**782**	**3 041**
Total equity and liabilities		**19 048**	**688**	**19 735**

Note 7.3 First time adoption of IFRS (continued)

A: The IFRS adjustment of USD 685 thousand reflects the recognised right-of-use asset minus depreciation for the year, relating to the Group's leased assets. Under NGAAP, lease payments were accounted for as operational expenses, hence no right-of-use asset was previously recognised.

B: The IFRS adjustments of USD 410 thousand and USD 297 thousand reflect the non-current and current portion of the lease liability recognised for the Group's leased assets under IFRS 16. Under NGAAP, no lease liability was recognised.

C: The IFRS adjustment of USD 154 thousand reflects the current portion of the Group's loans from Innovation Norway. Under NGAAP, the current and non-current portion of the loans was not presented separately in the consolidated statement of financial position.

D: The IFRS adjustment of USD 75 thousand reflects the non-current provision for accrued social security on share options/warrants which will be paid when the options are exercised.

E: The IFRS adjustment of USD 1,507 thousand reflects the recognition of the Group's share-based payment incentives (options and warrants). Under NGAAP, the options and warrants were not reflected in the Group's consolidated statement of financial position. Under IFRS 2, the options and warrants are recognised in the statement of comprehensive income with a corresponding adjustment to equity over the vesting period.

F: The IFRS adjustment of USD 1,603 thousand reflects the P&L effect of the 2021 IFRS adjustments in addition to translation differences, adjustments in the opening balance of equity at the date of transition to IFRS, and share-based payment expense.

G: The IFRS adjustment of USD 2 thousand reflects the net income tax effect of the IFRS adjustments related to IFRS 16 and IFRS 2.

Reconciliation of consolidated financial position as of 31 December 2022

All amounts in USD thousands	Note	NGAAP	IFRS adjustments	IFRS
Intangible assets		2 466		**2 466**
Deferred tax asset*		-	-	**-**
Right-of-use assets	A	-	377	**377**
Property, plant and equipment**	E	22 998	-2 133	**20 865**
Multi-client inventory		406	-	**406**
Investment in joint venture		233	-	**233**
Total non-current assets		**26 103**	**-1 756**	**24 347**
Trade receivables		1 726	-	**1 726**
Other receivables		4 570	-	**4 570**
Cash and cash equivalents		2 163	-	**2 163**
Total current assets		**8 458**	**-**	**8 458**
Total assets		**34 561**	**-1 756**	**32 805**

** Correction in prior GAAP: a deferred tax asset of USD 440 thousand has previously been recognised under NGAAP.*

*** Correction in prior GAAP: spare parts for AUVs amounting to NOK 15.6 million has earlier been reported under current assets. These spare parts are reclassified to non-current assets.*

Notes

Note 7.3 First time adoption of IFRS (continued)

All amounts in USD thousands	Note	NGAAP	IFRS adjustments	IFRS
Share capital		565	-	**565**
Share premium	G	31 090	-3 735	**27 356**
Other capital reserves	C	-	1 640	**1 640**
Other equity*	H	-12 877	-2 080	**-14 957**
Total equity		**18 779**	**-4 174**	**14 604**
Non-current interest-bearing liabilities	E	10 802	-6 195	**4 608**
Non-current lease liabilities	B	-	150	**150**
Non-current provisions	D	-	9	**9**
Total non-current liabilities		**10 802**	**-6 036**	**4 766**
Current interest-bearing liabilities	F	-	4 432	**4 432**
Trade and other payables		2 410	-	**2 410**
Current lease liabilities	B	-	267	**267**
Current provisions		810	-	**810**
Other current liabilities	G	1 868	3 646	**5 515**
Total current liabilities		**5 089**	**8 346**	**13 435**
Total liabilities		**15 891**	**2 309**	**18 201**
Total equity and liabilities		**34 561**	**-1 756**	**32 805**

** Correction in prior GAAP: a deferred tax asset of USD 440 thousand has previously been recognised under NGAAP.*

A: The IFRS adjustment of USD 377 thousand reflects the recognised right-of-use asset minus depreciation for the year, relating to the Group's leased assets. Under the previous GAAP, lease payments were accounted for as operational expenses, hence no right-of-use asset was recognised.

B: The IFRS adjustments of USD 150 thousand and USD 267 thousand reflect the non-current and current portion of the lease liability recognised for the Group's leased assets under IFRS 16. Under the previous GAAP, no lease liability was recognised.

C: The IFRS adjustment of USD 1,640 thousand reflects the recognition of the Group's share option incentive plans. Under the previous GAAP, the options and warrants were not reflected in the Group's consolidated statement of financial position. Under IFRS 2, the options and warrants are recognised in the statement of comprehensive income with a corresponding adjustment to equity over the vesting period.

D: The IFRS adjustment of USD 9 thousand reflects the non-current provision for social security on share options/warrants which will be paid when the options/warrants are exercised.

E: Under IFRS, the Group's seller credits are recognised and measured in accordance with IFRS 9. Since the seller credit's carry no interest, the Group has calculated and recognised the interest element implicit in the purchase price of the AUVs by calculating the net present value of future cash flows using a discount rate reflecting its incremental borrowing rate. Subsequently, the seller credit's are measured at their amortised cost using the effective interest rate method (EIR). The IFRS adjustment of USD 6,195 thousand reflects a reduction in the cost price of the AUVs related to the seller credit's of USD 1,763 thousand, in addition to a reclassification of interest-bearing debt to current interest-bearing liabilities of USD 4,432 thousand (refer to note "F" below).

F: The IFRS adjustment of USD 4,432 thousand reflects the current portion of the Group's interest-bearing debt (loans from Innovation Norway and seller credits). Under the previous GAAP, the current and non-current portion of the loans was not presented separately in the consolidated statement of financial position.

G: The IFRS adjustment of USD 3,735 thousand reflects a reclassification of unpaid share capital from equity to other current liabilities (USD 3,646 thousand), in addition to currency effects. Under IFRS, the unpaid share capital is classified as debt rather than equity.

H: The IFRS adjustment of USD 2,080 thousand reflects the P&L effect of the 2021 and 2022 IFRS adjustments in addition to translation differences, adjustments in the opening balance of equity at the date of transition to IFRS, and share-based payment expense.

Note 7.3 First time adoption of IFRS (continued)

Reconciliation of consolidated statement of comprehensive income as of 31 December 2021

All amounts in USD thousands	Note	NGAAP	IFRS Adjustments	IFRS
Revenues		1 787	-	**1 787**
Other income		55	-	**55**
Total revenues and other income		**1 842**	**-**	**1 842**
Cost of sales	A	3 196	-49	**3 147**
Gross profit		**-1 354**	**49**	**-1 305**
Selling, general and administrative expenses	B	1 745	2	**1 747**
Depreciation and amortisation	C	148	78	**227**
Total operating expenses		**1 893**	**80**	**1 974**
Operating profit (loss)/EBIT		**-3 248**	**-31**	**-3 279**
Share of results from associated companies		-53	-	**-53**
Finance income		135	-	**135**
Finance expense	D	83	24	**107**
Net financial items		**-1**	**-24**	**-25**
Profit (loss) before tax		**-3 249**	**-55**	**-3 304**
Income tax expense		1 145	2	**1 148**
Net profit (loss) for the year		**-2 104**	**-53**	**-2 157**

The Group reported other comprehensive income under IFRS of USD negative 435 thousand in 2021. No other comprehensive income has historically been reported as such statement is not required under NGAAP.

A: The IFRS adjustment of USD 49 thousand reflects the reversal of lease expenses for the Group's operating leases. As the leases are recognised in the statement of financial position according to IFRS 16, the expense previously recognised under NGAAP is reversed.

B: The IFRS adjustment of USD 2 thousand reflects the reversal of lease expenses for the Group's operating leases (USD 31 thousand), the employee benefit expense recognised for the period related to the Group's share-based payment incentives (USD 45 thousand) and a reduction in the social security provision for the share options/warrants (USD 12 thousand).

C: The IFRS adjustment of USD 78 thousand reflects the depreciation of right-of-use assets recognised under IFRS 16.

D: The IFRS adjustment of USD 24 thousand reflects the interest expense on the IFRS 16 lease liability.

Notes

Note 7.3 First time adoption of IFRS (continued)

Reconciliation of consolidated statement of comprehensive income as of 31 December 2022

All amounts in USD thousands	Note	NGAAP	IFRS Adjustments	IFRS
Revenues		3 476	-	**3 476**
Other income		9	-	**9**
Total revenues and other income		**3 485**	**-**	**3 485**
Cost of sales	**A**	5 821	-155	**5 666**
Gross profit		**-2 336**	**155**	**-2 181**
Selling, general and administrative expenses	**B**	3 036	-66	**2 970**
Impairment		-	-	**-**
Depreciation and amortisation	**C**	1 377	54	**1 431**
Total operating expenses		**4 413**	**-12**	**4 401**
Operating profit (loss)/EBIT		**-6 748**	**166**	**-6 582**
Share of results from associated companies		-326	-	**-326**
Finance income		208	-	**208**
Finance expense	**D**	477	640	**1 117**
Net financial items		**-595**	**-640**	**-1 234**
Profit (loss) before tax		**-7 343**	**-473**	**-7 816**
Income tax expense*		-1 106	-3	**-1 110**
Net profit (loss) for the year		**-8 449**	**-477**	**-8 926**

** Correction in prior GAAP: a deferred tax asset of USD 440 thousand has previously been recognised under NGAAP.*

The Group reported other comprehensive income under IFRS of USD negative 1,767 thousands in 2022. No other comprehensive income has historically been reported as such statement is not required under NGAAP.

A: The IFRS adjustment of USD 155 thousand reflects the reversal of lease expenses for the Group's operating leases. As the leases are recognised in the statement of financial position according to IFRS 16, the expense previously recognised under NGAAP is reversed.

B: The IFRS adjustment of USD 66 thousand reflects the reversal of lease expenses for the Group's operating leases USD 135 thousand), the employee benefit expense recognised for the period related to the Group's share-based payment incentives (USD 129 thousand) and a reduction in the social security provision for the share options/warrants (USD 60 thousand).

C: The IFRS adjustment of USD 54 thousand reflects the depreciation of right-of-use assets recognised in accordance with IFRS 16 (USD 251 thousand) and the reversal of depreciation for the Group's AUVs related to the IFRS 9 accounting treatment of the seller credits (USD 196 thousand).

D: The IFRS adjustment of USD 640 thousand reflects the interest expense on the IFRS 16 lease liability (USD 60 thousand) and the interest expense implicit in the Group's seller credits (USD 580 thousand).

Note 7.3 First time adoption of IFRS (continued)

Reconciliation of consolidated cash flow year ended 31 December 2021

All amounts in USD thousands	Note	NGAAP	IFRS adjustments	IFRS
Cash flow from operating activities:				
Profit/loss before tax		-3 249	-55	**-3 304**
Adjustments to reconcile loss before tax to net cash flow				
Net financial items	**A**	1	24	**25**
Depreciation and amortisation	**B**	148	78	**227**
Share-based payment expense	**C**	-	45	**45**
Working capital adjustments				
Changes in trade and other receivables		-7 853	-	**-7 853**
Changes in contract asset and other current assets		-74	-	**-74**
Changes in trade payables		-735	-	**-735**
Changes in provisions	**D**	358	-14	**343**
Changes in contract liabilities and other current liabilities		-	187	**187**
Net cash flows from operating activities		**-11 404**	**265**	**-11 139**
Cash flow from investing activities				
Purchase of property, plant and equipment		-429	-	**-429**
Investment in joint venture		-680	-	**-680**
Proceeds from disposals of property, plant and equipment		1 270	-	**1 270**
Development expenditures		-570	-	**-570**
Interest received		10	-	**10**
Net cash flows from investing activities		**-399**	**-**	**-399**
Cash flow from financing activities				
Proceeds from issuance of equity		18 596	-	**18 596**
Repayments of long term debt		-88	-	**-88**
Payments for principal for the lease liability	**E**	-	-56	**-56**
Payments for interest for the lease liability	**E**	-	-24	**-24**
Interest paid		-50		**-50**
Net cash flows from financing activities		**18 458**	**-80**	**18 377**
Net change in cash and cash equivalents		**6 654**	**185**	**6 839**
Cash and cash equivalents at beginning of the year		912	-	**912**
Net foreign exchange difference		-283	-	**-283**
Cash and cash equivalents at 31 December		**7 283**	**185**	**7 468**

A: The effect on net financial items of USD 24 thousand reflects the interest expense on the lease liability recognised under IFRS 16.

B: The effect on depreciation and amortisation of USD 78 thousand reflects depreciation of the right-of-use assets recognised under IFRS 16.

C: The IFRS adjustment of USD 45 thousand reflects the share-based payment recognised for the period in accordance with IFRS 2.

D: The IFRS adjustment of USD 14 thousand represents the change in the social security provision related to the Group's share-based payment incentives.

E: The IFRS adjustments of USD 56 thousand and USD 24 thousand represent lease payments and payments for the interest portion of the lease liability recognised in accordance with IFRS 16.

Notes

Note 7.3 First time adoption of IFRS (continued)

Reconciliation of consolidated cash flow year ended 31 December 2022

All amounts in USD thousands	Note	NGAAP	IFRS adjustments	IFRS
Cash flow from operating activities				
Profit/loss before tax		-7 343	-473	**-7 816**
Adjustments to reconcile loss before tax to net cash flow				
Net financial items	**A**	595	640	**1 234**
Depreciation, amortisation and impairment	**B**	1 377	54	**1 431**
Share-based payment expense	**C**	-	129	**129**
Working capital adjustments				
Changes in trade and other receivables		2 109	-	**2 109**
Changes in contract asset and other current assets	**D**	-	74	**74**
Changes in trade payables		1 699	-	**1 699**
Changes in provisions	**E**	453	-66	**387**
Changes in contract liabilities and other current liabilities	**F**	1 362	3 646	**5 009**
Other items				
Tax paid		-11	-	**-11**
Net cash flows from operating activities		**240**	**4 003**	**4 243**
Cash flow from investing activities				
Purchase of property, plant and equipment		-24 374	-	**-24 374**
Investment in Multi-client		-416	-	**-416**
Development expenditures		-1 876	-	**-1 876**
Interest received		31	-	**31**
Net cash flows from investing activities		**-26 635**	**-**	**-26 635**
Cash flow from financing activities				
Proceeds from issuance of equity	**H**	12 193	-3 735	**8 459**
Repayments of long term debt		-2 598	-	**-2 598**
Proceeds from long term debt		12 653	-	**12 653**
Payments for principal for the lease liability	**G**	-	-230	**-230**
Payments for interest for the lease liability	**G**	-	-60	**-60**
Interest paid		-76	-	**-76**
Net cash flows from financing activities		**22 172**	**-4 024**	**18 148**
Net change in cash and cash equivalents		**-4 222**	**-21**	**-4 243**
Cash and cash equivalents at beginning of the year		7 468	-	**7 468**
Net foreign exchange difference		-1 062	-	**-1 062**
Cash and cash equivalents at 31 December		**2 184**	**-21**	**2 163**

Note 7.3 First time adoption of IFRS (continued)

A: The effect on net financial items of USD 640 thousand reflects the interest expense on the lease liability recognised under IFRS 16, in addition to the interest expense recognised for the Group's seller credits.

B: The effect on depreciation and amortisation of USD 54 thousand reflects depreciation of the right-of-use assets recognised under IFRS 16 (USD 251 thousand) in addition to the reversed depreciation of the AUVs related to other Group's seller credits (USD 196 thousand).

C: The IFRS adjustment of USD 129 thousand reflects the share-based payment recognised for the period in accordance with IFRS 2.

D: The IFRS adjustment of USD 74 thousand represents the change in contract assets recognised in accordance with IFRS 15.

E: The IFRS adjustment of USD 66 thousand represents the change in social security provision related to the Group's share-based payment incentives.

F: The IFRS adjustment of USD 3,646 thousand represents the reclassification of unpaid share capital from equity to debt.

G: The IFRS adjustments of USD 230 thousand and USD 60 thousand represent lease payments and payments for the interest portion of the lease liability recognised in accordance with IFRS 16.

H: The IFRS adjustment of USD 3,735 thousand represents the reclassification of unpaid share capital from equity to debt (USD 3,646 thousand), in addition to currency effects.

Notes

Note 7.4 Events after the reporting period

Adjusting events
There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events
In January 2024, a total number of 7,750,000 share options were granted under a new incentive plan, and the options will vest 1/3 each year over a total vesting period of 3 years. Each option will, when exercised, give the right to receive one share in the Company at a fixed strike price of NOK 3.20. Options granted under the share option program will expire five years after grant date. The grant replaces 555,000 outstanding share options from the grant in December 2021, 36 000 of the "Tranche 1" warrants and 2 581 063 of the "Tranche 2" warrants.

In February 2024, Argeo signed a sale-and-leaseback contract involving the Company's vessel Argeo Venture. The net proceeds from the transaction will replace the offer for a USD 10 million bank loan and a USD 2 million credit facility in financing previously announced on 2 October 2023.

In March 2024, Argeo, CSI Nordics and Kongsberg Discovery signed a three-party Certificate of Delivery and Acceptance for a new Hugin Superior AUV. CSI Nordics, a subsidiary of CSI Leasing, will purchase the unit from Kongsberg Discovery, entering into a long-term leasing agreement with Argeo.

In March 2024, Argeo completed a private placement of 18,181,818 new shares at NOK 2.75 per share, raising gross proceeds of approximately NOK 50 million. The private placement was followed by a Subsequent Offering with non-tradeable subscription rights of 11,000,000 new shares in the Company, raising gross proceeds of NOK 30,250,000. The new share capital of the Company after the registration of the shares is NOK 22,208,174.20, divided into 222,081,742 shares, each with a nominal value of NOK 0.10.

Alternative performance measures

Alternative performance measures
This section includes information about alternative performance measures (APMs) applied by the Group.

These alternative performance measures are presented to improve the ability of stakeholders to evaluate the Group's operating performance.

The Group applies the following APMs:

EBITDA
The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) is used to provide consistent information on the Group's operating performance relative to other companies, and is frequently used by analysts, investors and other stakeholders wher evaluating the financial performance of the Group. EBITDA, as defined by the Group, includes total revenue and other income and excludes depreciation, amortisation and impairment loss. A reconciliation of EBITDA is presented below.

EBITDA (USD 1,000)	**2023**	**2022**	**2021**
Total revenues and other income	10,126	3,485	1,842
Cost of sales	14,541	5,666	3,147
Selling, general and administrative expenses	1,859	2,970	1,747
EBITDA	**-6,274**	**-5,151**	**-3,052**
EBITDA margin	**-62%**	**-148%**	**-166%**

ANNUAL REPORT
ARGEO AS

Annual Report Argeo AS

REVENUE STATEMENT

ARGEO AS

Amounts in NOK 1000

OPERATING INCOME AND OPERATING EXPENSES	Note	2023	2022
Revenue		19	0
Total income		**19**	**0**
Employee benefits expense	1	1 013	1 113
Other expenses	1	3 568	1 622
Total expenses	**2**	**4 581**	**2 735**
Operating profit		**-4 562**	**-2 735**
FINANCIAL INCOME AND EXPENSES			
Interest income from group companies		12 564	6 283
Other interest income	3	370	169
Other financial income	3	0	1
Other interest expenses	3	0	1
Other financial expenses	3	432	476
Net financial items		**12 501**	**5 974**
Net profit before tax		7 940	3 239
Income tax expense	4	4 349	-932
Net profit or loss	**5**	**3 591**	**4 171**
ATTRIBUTABLE TO			
Loss brought forward		-3 591	-4 171
Total		**3 591**	**4 171**

BALANCE SHEET

ARGEO AS

Amounts in Amounts in NOK 1000

	Note	2023	2022
ASSETS			
NON-CURRENT ASSETS INTANGIBLE			
ASSETS	4	0	4 337
Deferred tax assets		**0**	**4 337**
Total intangible assets			
PROPERTY, PLANT AND EQUIPMENT			
NON-CURRENT FINANCIAL ASSETS	6	249 051	156 914
Investments in subsidiaries		**249 051**	**156 914**
Total non-current financial assets			
		249 051	**161 250**
Total non-current assets			
CURRENT ASSETS			
DEBTORS	7	866	134
Other short-term receivables		374 840	85 012
Receivables from group companies		0	35 943
Unpaid share capital	**7**	**375 706**	**121 089**
Total receivables			
INVESTMENTS			
	8	23 619	14 452
Cash and cash equivalents			
		399 325	**135 542**
Total current assets			
		648 376	**296 792**
Total assets			

BALANCE SHEET

ARGEO AS

EQUITY AND LIABILITIES	Note	2023	2022
EQUITY			
PAID-IN CAPITAL			
Share capital		19 290	5 110
Share premium reserve		611 012	289 115
Other paid-up equity		-263	-275
Total paid-up equity		**630 039**	**293 950**
RETAINED EARNINGS			
Other equity		17 364	-710
Total retained earnings		**17 364**	**-710**
Total equity	5	**647 403**	**293 240**
LIABILITIES			
PROVISIONS			
OTHER NON-CURRENT LIABILITIES			
Other non-current liabilities		21	6
Total non-current liabilities		**21**	**6**
CURRENT LIABILITIES			
Trade payables	7	755	3 441
Public duties payable		100	103
Other current liabilities	7	97	2
Total current liabilities	**7**	**952**	**3 546**
Total liabilities		**973**	**3 552**
Total equity and liabilities		**648 376**	**296 792**

The board of Argeo AS

Jan Pihl Grimnes
cl[illegible]oard

Jim Dåtland
member of the board

Geir Jonny Kaasen
member of the board

Heidi Gryteland Holm
member of the board

Lars Petter Ottem Utseth
member of the board

Peter Hooper
member of the board

Trond F. Crantz
CEO

Annual Report Argeo AS

INDIRECT CASH FLOW

ARGEO AS

Amounts in NOK 1000	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss before tax		7 940	3 239
Financial income		-12 934	-6 451
Financial expense		-432	-478
Change in current liabilities		-3 188	3 418
Change in current assets		-254 008	-62 339
Net cash flows from operating activities		**-262 623**	**-62 611**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Investment in subsidiaries		-92 000	-100 000
Net cash flows from investment activities		**-92 000**	**-100 000**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from new equity		350 423	117 353
Financial income		12 934	6 451
Financial expense		432	478
Net cash flows from financing activities		**363 789**	**124 282**
Net change in cash and cash equivalents		9 167	-38 330
Cash and cash equivalents at the start of the period		14 452	52 623
Cash and cash equivalents at the end of the period		**23 619**	**14 294**

Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice. All amounts are in Norwegian kroner 1000, unless otherwise stated.

USE OF ESTIMATES
In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

REVENUES
Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered. Income from the sale of services and long-term manufacturing projects (construction contracts) are posted to the profit and loss account in line with the project's degree of completion, when the outcome of the transaction can be estimated in a reliable manner. When the transaction's outcome cannot be estimated reliably, only income corresponding to a projects' incurred costs can be posted as revenue. At the time when it is identified that the project will give a negative result, the estimated loss on the contract is posted in full to the profit and loss account.

TAX
The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

CHANGE IN ACCOUNTING PRINCIPLE
Due to potential uplisting on Euronext in Norway, Argeo has in 2023 changed accounting principle from small business to other. This gives an effect in 2023. Compared with reported 2022 the effect is:

	2022 old	Effect	2022 restated
Investments in subsidiaries	155 676	1 238	156 914
Other non-current liabilities	0	- 6	- 6
Other equity	- 1 929	1 220	- 710
Salaries	956	158	1 113
Tax	943	- 1	942
Net Profit	4 339	- 156	4 183

CLASSIFICATION AND VALUATION OF CURRENT ASSETS
Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

SUBSIDIARIES AND ASSOCIATED COMPANIES
Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

RECEIVABLES
Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

CASH FLOW STATEMENT
The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

Note 1 Salary costs and benefits, related to board and auditor

SALARY COSTS

	2023	2022
Salaries	875	838
Employment tax	138	118
Other benefits	0	157
Total	**1 013**	**1 113**

There are no employees in the company. All salary costs are related to the board members.
Board members have been granted share options in the company.

PENSION LIABILITIES
The company is not liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act.

Board

AUDITOR
Audit fees expensed for 2023 amount to NOK 313 ex. vat compared to NOK 184 in 2022 In addition there is a fee for other services of NOK 140 ex. vat compare to NOK 31 in 2022

Note 2 Specification of operating costs by type

	2023	2022
Change in holding of goods under manufacture/self-produced goods	0	0
Cost of goods	0	0
Salary costs	1 013	1 113
Depreciation	0	0
Write-downs	0	0
Other operating costs	3 568	1 622

Annual Report Argeo AS

Total operating costs	**4 581**	**2 735**

Note 3 Items that are aggregated in the accounts

Financial income	**2023**	**2022**
Interest income from companies in the same group	12 564	6 283
Other interest income	370	169
Other financial income (agio)	0	1
Total financial income	**12 934**	**6 452**

Financial costs	**2023**	**2022**
Other interest costs	0	1
Other interest costs (disagio)	432	476
Total financial costs	**432**	**478**

Note 4 Tax

This year's tax expense	**2023**	**2022**
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	4 349	-943
Tax expense on ordinary profit/loss	**4 349**	**-943**
Taxable income:		
Result before tax	7 940	3 397
Permanent differences	-19 425	-7 681
Changes in temporary differences	21	0
Taxable income	**-11 465**	**-4 284**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**0**
Calculation of effective tax rate		
Profit before tax	7 940	3 397
Calculated tax on profit before tax	1 747	747
Tax effect of permanent differences	-4 273	-1 690
Total	**-2 527**	**-943**
Effective tax rate	-31,8 %	-27,8 %

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2023	**2022**	**Difference**
Allocations and more	-21	0	21
Total	**-21**	**0**	**21**
Accumulated loss to be brought forward	-31 232	-19 767	11 465
Not included in the deferred tax calculation	31 253	0	-31 253
Basis for deferred tax assets	**0**	**-19 767**	**-19 767**
Deferred tax assets (22 %)	**0**	**-4 349**	**-4 349**

Deferred tax not included in the balance sheet.

Note 5 Equity capital

	Share capital	**Share premium**	**Other paid-in equity capital**	**Other equity capital**	**Total equity capital**
Pr. 01.01.2023	5 110	289 115	-275	-710	293 240
Effect of change in reporting principles			12	137	149
Result of the year				3 591	3 591
Net proceeds from new equity	14 180	321 897		14 346	350 423
Pr 31.12.2023	**19 290**	**611 012**	**-263**	**17 364**	**647 403**

Subsidiaries	Jurisdiction	Cost Price	Shares/Voting right	Establishment
Argeo Suvey AS	Norway	235 646 096	100%	May 2014
Argeo Robotics AS	Norway	10 030 000	100%	July 2019
Argeo Shipholding AS	Norway	2 000 000	100%	December 2023

Note 7 Inter-company items between companies in the same group

	2023	**2022**
Receivables		
Loans to companies in the same group	0	0
Customer receivables within the group	0	0
Other short-term receivables within the group	374 840	85 012
Total	**374 840**	**85 012**
Liabilities		
Loans from companies in the same group	0	0
Debt to suppliers within the group	0	0
Other short-term liabilities within the group	0	0
Total	**0**	**0**

Note 8 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 72.

Independent Auditor’s Report

To the General Meeting of Argeo AS

RSM Norge AS

Ruseløkkveien 30, 0251 Oslo
Pb 1312 Vika, 0112 Oslo
Org.nr: 982 316 588 MVA

T +47 23 11 42 00
F +47 23 11 42 01

www.rsmnorge.no

Independent Auditor’s Report

Opinion

We have audited the financial statements of Argeo AS, which comprise:

- The financial statements of the parent company Argeo AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Argeo AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, 31 December 2022 and 31 December 2021, the income statements, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- The financial statements comply with applicable statutory requirements,

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, 31 December 2022 and 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors’ report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors’ report nor the other information accompanying the financial statements.

Independent Auditor's Report 2023 for Argeo AS

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 22 May 2024
RSM Norge AS

Anders Nereng
State Authorised Public Accountant
(This document is signed electronically)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Nereng, Anders Ivar
Statsautorisert revisor
På vegne av: RSM Norge AS
Serienummer: no_bankid:9578-5999-4-1194192
IP: 188.95.xxx.xxx
2024-05-22 17:21:58 UTC
bankID

Superior capacity

With the most advanced fleet available

ROBUST AND MODERN

Vessels

Argeo Searcher

Argeo Venture

SUPERIOR

AUV’s

Hugin Superior

Q1 2025

Hugin 6000/1000

Advanced Robotics

Argeo Electromagnetic sensor system

ARGEO LISTEN

- ✓ Positioning and burial depth of active power cables
- ✓ Inspection of subsea cathodic protection systems
- ✓ Marine Mineral exploration
- ✓ General site survey

ARGEO WHISPER

- ✓ Tracking/burial depth of "dead" power cables
- ✓ Tracking buried pipelines
- ✓ Detection of Unexploded Ordnance (UXO)
- ✓ Marine Minerals exploration

ARGEO DISCOVER

- ✓ Marine Minerals exploration

Turn key final product

with Argeo SCOPE digital solution

Cloud-based solution for management, analysis, and interpretation of Ocean Space data

Enables **efficient 3D visualization** of Ocean Space Data in a user-friendly **browser-based interface**, supporting a **collaborative data** sharing and a smoother interpretation workflow.

Seamless data fusion from seabed measurements such as:

- Synthetic aperture sonar (SAS)
- Sub-bottom profiler (SBP)
- Backscatter
- Bathymetry
- Subsea camera and snapshots
- Environmental data
- Laser measurements
- Geo-taggable documents
- WMS Services
- Interpreted surfaces and horizons from legacy platforms
- Electromagnetic field data

Clean and safe oceans

through responsible operations

Through our core business, we help our clients become more efficient in keeping the oceans safe and clean. Our complete set-up of vessels, robotic subsea equipment and our own developed and patented sensor systems enables us to perform inspection surveys up to eight times more efficiently than traditional methods. This technological edge not only enhances operational efficiency but also reduces environmental impact.

Our operations include inspection and maintenance of equipment for the Oil & Gas industry in addition to identification of outdated production equipment for removal, contributing to decommissioning (DECOM) efforts. Furthermore, Argeo's use of fuel-efficient vessels and battery-run robotic equipment underscores our commitment to sustainability, providing our company and services with a distinct green profile. Through these initiatives, Argeo continues to lead by example in promoting environmental stewardship and innovative solutions within the industry.

One of Argeo's most important value is to be responsible. This means that we must conduct business operations in a responsible and safe manner and to foster a healthy and prosperous workplace based on fairness and equality.

The UN Sustainable Development Goals were adopted by all the world's governments at the United Nations in 2015 and provide a common and necessary roadmap. At Argeo, we celebrate these goals and believe in making a difference in the ocean space. All 17 of the UN SDGs are relevant to our business, yet we have chosen to focus on four main areas; 7: affordable and clean energy, 9: industry, innovation and infrastructure, 13: climate action and 14: life below water. We find that we can contribute more within these areas and that they are enablers to further strengthen the full set of UN goals.

Status & ambition

As of 2023 we have not yet started measuring a comprehensive carbon footprint, but it is our ambition to do so going forward. As our company grows it is also our ambition to set clear goals and to integrate an environmental awareness into all levels ofthe company, meaning we want sustainability to permeate the business. From how we write the contracts with our customers to the waste management in every office.

7 AFFORDABLE AND CLEAN ENERGY

Supporting development of renewable energy with a strong focus on offshore wind and Carbon Capture & Storage projects offshore.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Sourcing of local and 3rd party resources
Project based vessel hires allows for local charters.
Survey sensor development through 3rd party **partners**

13 CLIMATE ACTION

Reduced carbon footprint in operation
Vital surveys of environmental impact

14 LIFE BELOW WATER

Argeo solutions key to examine impact on habitat and species below water. Argeo can collect data for benthic surveys through non-physical samples

#argeopeople

We are committed to our employees as well as our impact on the societies in which we operate. Argeo has a strong focus on ensuring equal treatment and opportunity for all staff members, promoting diversity, and maintaining an inclusive and harassment free workplace.

Argeo is committed to respecting and promoting human rights of all individuals potentially affected by our operations. In Argeo, it is a continual process to improve on transparency, supply chain management and our professional conduct.

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Environmental

Through our core business, we help our clients become more efficient

Status & ambition

Responsibility is a fundamental value at Argeo. We are dedicated to conducting our business with integrity, prioritizing safety and responsibility, and striving to minimize our environmental footprint. Argeo places significant emphasis on preventing negative environmental impacts from our operations.

Our company policy is to maintain safe and pollution-free practices that comply with both national and international regulations, as well as relevant standards and guidelines. Our objective is to continuously enhance our management skills in relation to environmental protection and we are committed to understand and collectively work towards reducing our environmental footprint.

Vessel emissions in 2023

Argeo Searcher	**Co2**	5338 Tons
	NOx	95559 Kg
	Sox	1243 Kg

Social

Building and sustaining a fair, responsible, and attractive workplace

The right balance of people

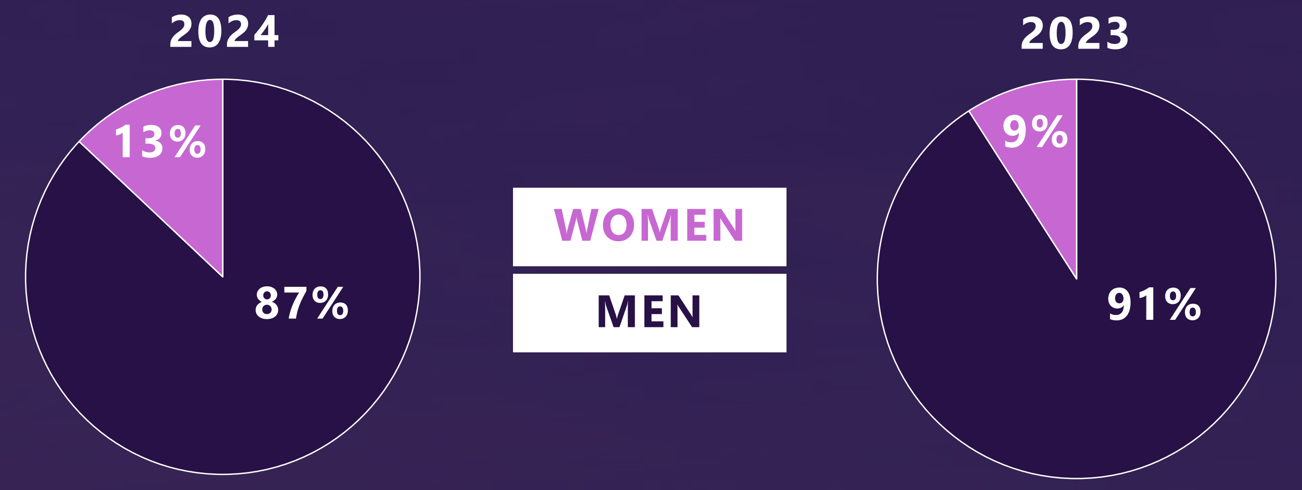
We believe maintaining a balanced and diverse workforce in terms of gender, age, and nationalities is a strategic advantage that fosters diverse perspectives and drives innovation.

This diversity enhances our ability to understand and serve a global customer base, strengthening our competitiveness and market presence. A varied team promotes an inclusive and collaborative work environment, encouraging creativity and improving overall performance.

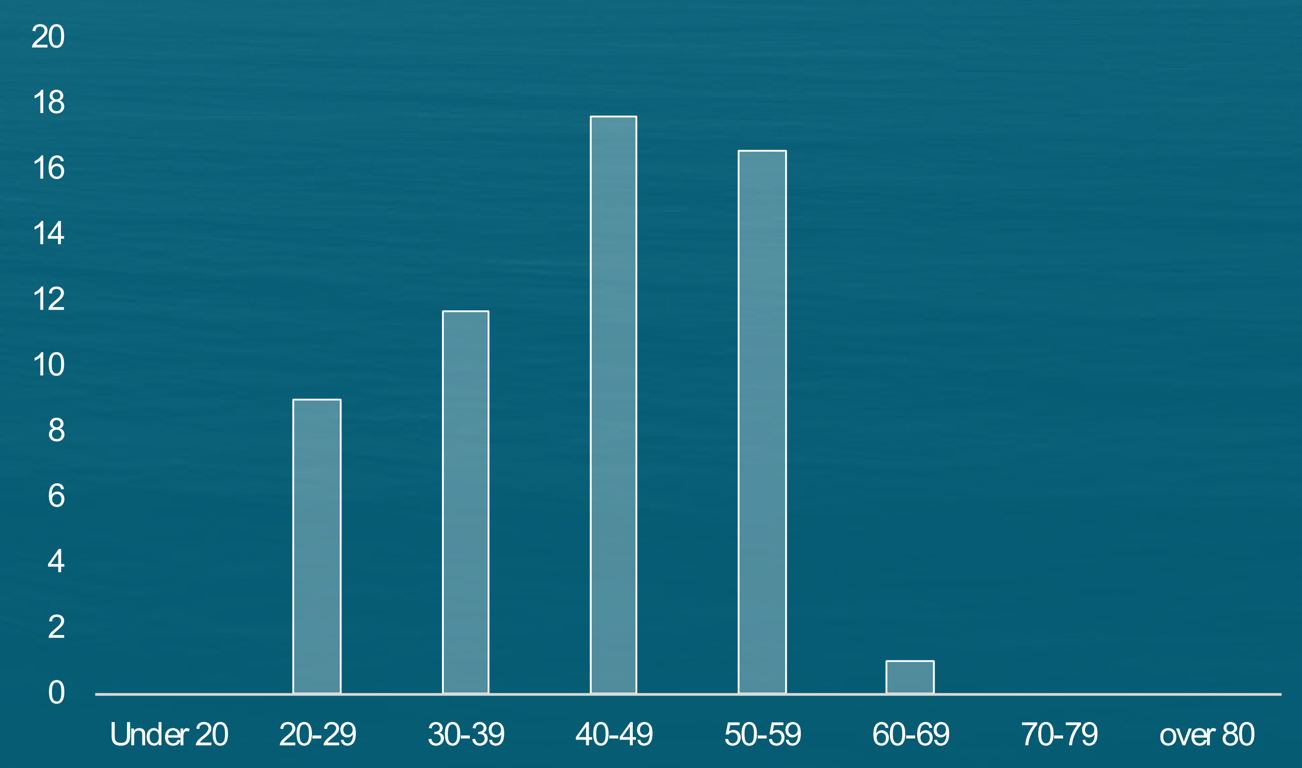
By embracing diverse experiences and viewpoints, we attract top talent, enhance employee satisfaction, and reduce turnover. This balance results in better decision-making and a more robust, adaptable organization.

In 2023 Argeo employees were from **10 different nationalities**

Gender balance



Age distribution



Governance

We believe active corporate governance is vital to the development of companies and that it provides long-term benefits for all Argeo's stakeholders.

Argeo's framework for corporate governance is intended to decrease business risk, maximize value and utilize our resources in an efficient, sustainable manner, for the benefit of shareholders, employees, and society at large.

At Argeo we are all committed to

- Create a healthy and safe working place for both employees and contractors
- Create measurable goals
- Strive to achieve corporate environmental goals set forward
- Comply with relevant laws and regulations
- Promote a culture in which all employees share this commitment
- Promote responsible purchasing through our Supplier's Code of Conduct
- Develop and communicate a Company Code of Conduct
- Respecting and promote human rights of all individuals potentially affected by our operations. We respect the fundamental principles set forth in the Universal Declaration of Human Rights and related UN documents

Responsible business practices

Raising concerns & whistleblowing

All employees are encouraged to raise concerns wherever they identify activities which are not aligned with Argeo's values and behaviors. Argeo encourages employees to raise concerns in the first instance directly to line management. In circumstances where this is not possible or it may be more appropriate to do so due to the nature or seriousness of the concern, a confidential Whistleblowing portal is available.

Bribery and anti-corruption

Argeo has a zero tolerance for bribery and corrupt payments in whatever form, whether given or received, directly or indirectly, anywhere in the world. Most countries, including the USA, the UK and Norway, have strict anti-bribery and anti- corruption laws in place, which are intended to prevent companies and individuals from gaining an unfair advantage, and from undermining the rule of law. We must never offer or accept bribes or kickbacks and must not participate in or facilitate corrupt activities of any kind. We must also never engage a third party (in particular, a commercial agent or other business representative) who we believe may attempt to offer a bribe to conduct company business.

Per 2023 our suppliers are asked to fill out a "self-assessment form" and our future goal is to develop a formal Supply Chain Sustainability Code of Conduct.

Antitrust

Antitrust laws, sometimes also called competition laws, govern the way that companies behave in the marketplace. Antitrust laws encourage competition by prohibiting unreasonable restraints on trade and anti-competitive conduct. The laws deal in general terms with the way companies deal with their competitors, clients, and suppliers. Violating antitrust laws is a serious matter and could place both the company and the individual at risk of substantial criminal penalties.

Human rights policy

An important part of Argeo's commitment to responsible business is respecting human rights in accordance with internationally recognised standards. There is both a business and a moral case for ensuring that human rights principles are upheld during our operations and throughout our value chain.

Our approach is informed by the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

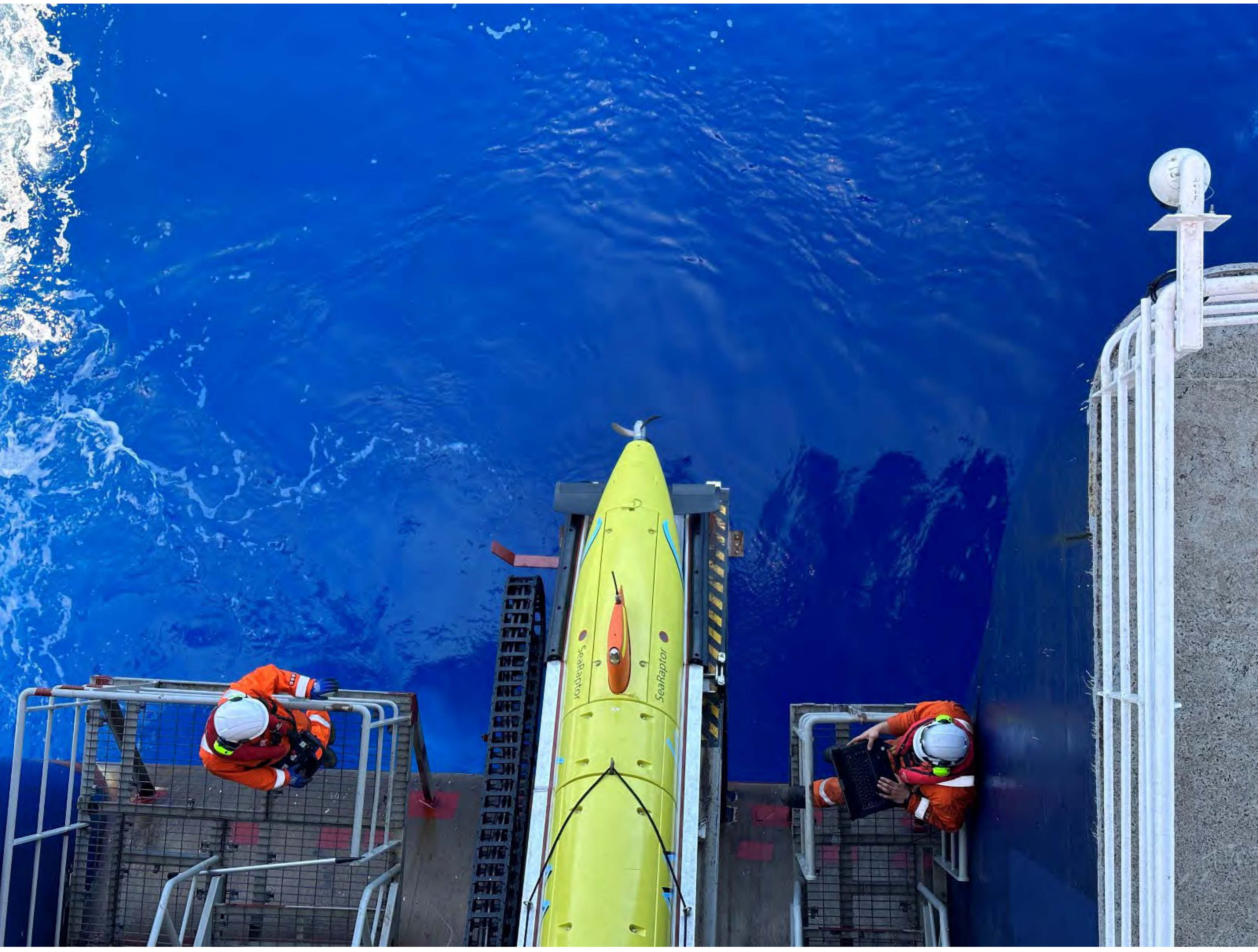
Code of conduct

Argeo aspires to be an honest and trustworthy company. Our reputation depends upon each of us understanding the Code of Conduct, and always demonstrating integrity and honesty. The Code of Conduct sets the standard for how we should work together to develop and deliver our services, how we protect the value of Argeo, and how we work with customers, contractors, suppliers, and others.

Argeo
Nye Vakås v. 14 1395 Hvalstad
Norway
Telephone: +47 66 85 90 99
www.argeo.no

Annual Report 2022

Argeo Digitizing the ocean space



Contents

“We are on track to transition from being a scale-up company to becoming an established global operator”

CEO Letter

Looking back at 2022, it was a year of two distinct halves. In the first six months, we had our new SeaRaptor AUVs delivered and carried out operational projects in Brazil using our first Hugin system. However, by early Q2, we began to witness significant shifts in the market, which impacted our existing strategy and made it increasingly challenging to secure vessels for upcoming projects. To adapt to these changing conditions and address the concerns of our valued customers, we implemented a more resilient strategy that allowed us to pivot our commercial and operational activities in response to the evolving market landscape.

Reacting to a changing market

Towards the end of February, we began to observe a significant uptick in the demand for offshore services worldwide. However, this sudden surge in demand had an adverse impact on our tender process and project delivery schedule in April and May. Specifically, we faced challenges with short-term vessel charters that had a long lead time to contract signing and startup. These challenges had a negative effect on the terms and conditions of our contracts, resulting in an unbalanced risk/reward situation for the company. While the overall increase in demand was positive, it had a negative impact on our cash position, which we proactively addressed to ensure the continued growth and success of our business.

Implementing resilient strategy

In response to the changing market conditions, we developed a new and more resilient strategy towards the end of H1-2022, which included the implementation of our 'SmartConvert' vessel acquisition and conversion plan. The first project under this adjusted strategy was the charter of Argeo Searcher, which was later equipped with our two SeaRaptor AUVs and completed in February 2023. We are excited about the potential of Searcher and expect great things from her in the future. However, the adjusted strategy required additional capital to be sustainable, and we had to stretch our runway to cover the cost of conversion and integrate the AUV systems and data management solution. We were able to secure the necessary funds through a combination of loans from Innovation Norway and a successful private placement towards the end of the year. The new value proposition has been very well received by our clients, and we remain committed to its success in the years to come.

Commercial ramp up

As the Argeo Searcher made its way to Las Palmas in November, we began to ramp up our commercial activities, securing several tenders and projects for Q1-2023. The high demand for an integrated survey machine equipped like the Searcher with the latest technology, as evidenced by our clients' strong interest, was a perfect fit with the offerings provided by our new strategy. The commercial success of these bookings continued into projects for Q2 and Q3 of 2023, which further demonstrated the effectiveness of our new approach. We are excited to see the positive impact of our new strategy on our business and look forward to its continued success in the future.

Technology & Engineering

The throughput achieved by Argeo Robotics in the past year has been remarkable We have submitted a total of 7 patent applications, and the first one was granted towards the end of the year. Over the course of the year, we completed two out of three sensor systems, with Argeo LISTEN already tested and commercialized on our SeaRaptor AUVs. Argeo WHISPER was also tested and made ready for field-testing in H1-2023. Additionally, we launched Argeo SCOPE, which reached its MVP (minimum viable product) in Q4 and is now ready for our first pilot customers to test in 2023. We are excited about these developments and look forward to bringing more cutting-edge technology to our clients in the coming year.

Growth and Outlook

Our adjusted strategy has paved the way for significant and accelerated growth across our markets. We are already seeing a steady increase in the conversion rate of tenders to contracts, as reflected in our Q1-2023 order book. With this momentum, we can now shift our commercial focus towards securing backlog for 2024 and beyond, further fuelling our growth trajectory. Argeo is becoming a serious service provider by major clients and with that larger and longer contract in all our serviceable markets. We continue to uphold our Q4-2022 estimates and expect to be EBITDA positive from beginning of Q3-2023. We have proven our resilience to change and respond quickly to market forces affecting our business globally, this strength will be employed in our new growth strategy going forward.

Trond Figenschou Crantz

CEO of Argeo

Main events

Main events 2022

Q1

- First SeaRaptor “Argeo Fenris” delivered in February
- Awarded a NOK 8.5 million contract from Statens Vegvesen for the SeaRaptor "Fenris"

Q2

- Ordered a new Hugin 6000 AUV system from Kongsberg
- Signed 12-month project for the new Hugin 6000 AUV
- Hugin 1000 project in Brazil completed
- NOK 75 million private placement
- Commercialization of Argeo LISTEN tool completed
- Multi-client offshore wind project at Utsira Nord

Q3

- SeaRaptor “Argeo Neri” delivered and completed first ultra-deep water AUV survey work

Q4

- Argeo “Argus” completed and awarded contract
- 5-year bareboat contract with option to buy for Argeo Searcher
- Argeo received patent application approval for our unique EM sensor systems
- Argeo Searcher contract work in the North Atlantic for Deep Sea Minerals
- NOK 50 million private placement in December
- NOK 20 million loan granted from Innovation Norway

Subsequent events 2023

Q1

- Signed contract for Polish Geological Institute in the Mid Atlantic
- Completed conversion and rigging of Argeo Searcher in February
- Argeo teamed up with global multi-client player on MC prospecting survey for deep-sea minerals
- Signed contract with Stromar Offshore Wind Farm
- NOK 5.2 million subsequent offering

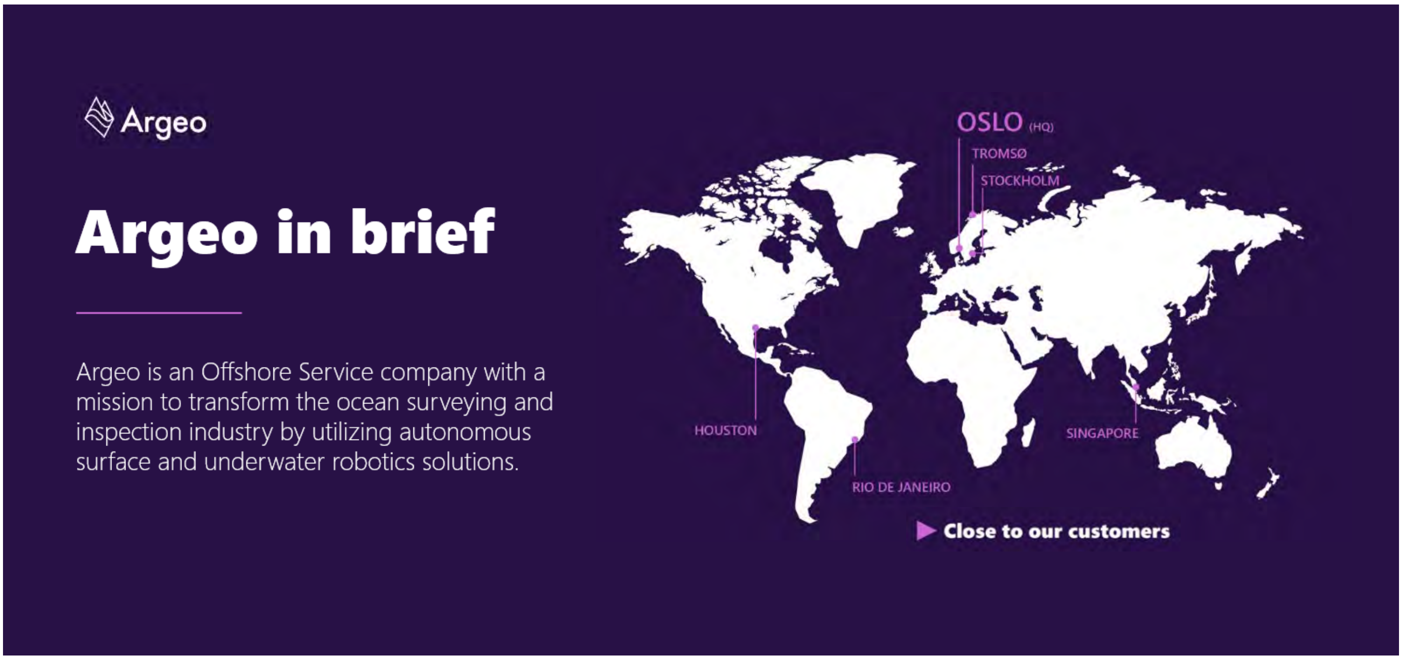
Q2

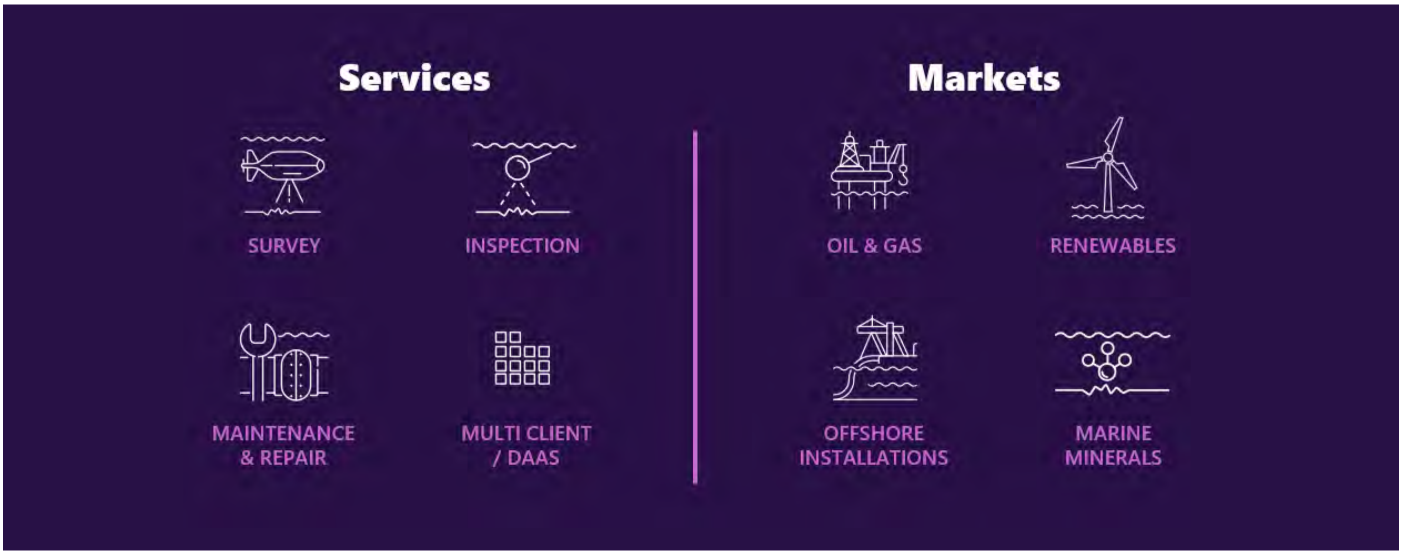
- Signed NOK 37 million contract with Norwegian Petroleum Directorate for minerals survey in Norway
- Extension of USD 2 million contract for Hugin 6000 AUV confirmed.

About Argeo

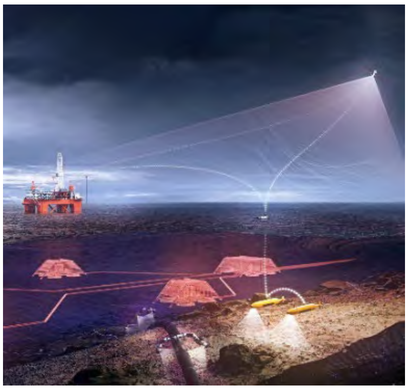
Argeo is an Offshore Service company with technology to transforming the ocean space survey and inspection industry utilizing autonomous surface and underwater robotics solutions. Equipped with unique sensors and advanced digital imaging technology, the Autonomous Underwater Vehicles ("AUVs") will significantly increase efficiency and imaging quality in addition to contribute to reductions in CO_2 emissions from operations for the global industry in which Argeo operates.

With the recent subsea vessel expansion adding Argeo Searcher to the fleet, Argeo is now offering an independent and complete long endurance solution to our customers. The vessel is well equipped to support IMR operations with Argeo's unique SeaRaptor AUV's and available hangar for several work-class ROV (WROV) systems. Argeo's markets are in Oil & Gas, Renewables, Marine Minerals and Offshore Installations.





Robotics and digital solutions for the ocean space - four attractive key target markets



Oil & Gas

Rising number of deep-water activities and a clear directive from majors to replace traditional vessel based IMR solutions with robotics and uncrewed solutions.

- Pipeline and cable survey / inspection
- Site Survey
- Route / trench survey and modelling
- Electrical & communication cable installations
- Route inspection after installation

Renewables

Increase investments in renewable sources of energy and favourable government policies.

- Initial survey
- Early planning & design survey
- Construction and installation survey
- Operations & maintenance

Marine Minerals

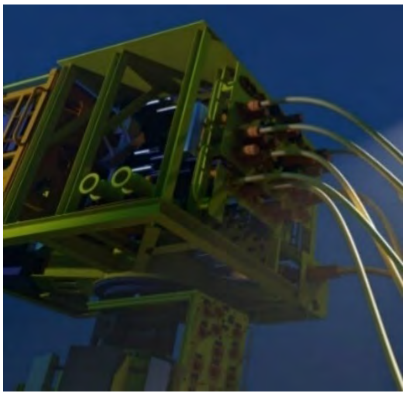
Global demand for batteries and metals for the renewable sector is the main growth driver for this market.

- High-resolution seabed mapping
- UHD seabed and megafauna imaging
- Multiphysics characterization
- Subsurface imaging
- Deposit detection and delineation
- Environmental surveying/monitoring

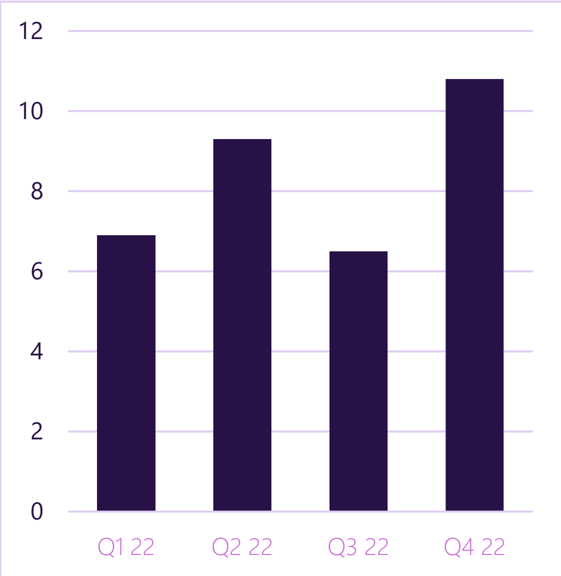
Offshore Installations

The need for expertise and project de-risking for complex offshore installations is increasing with project

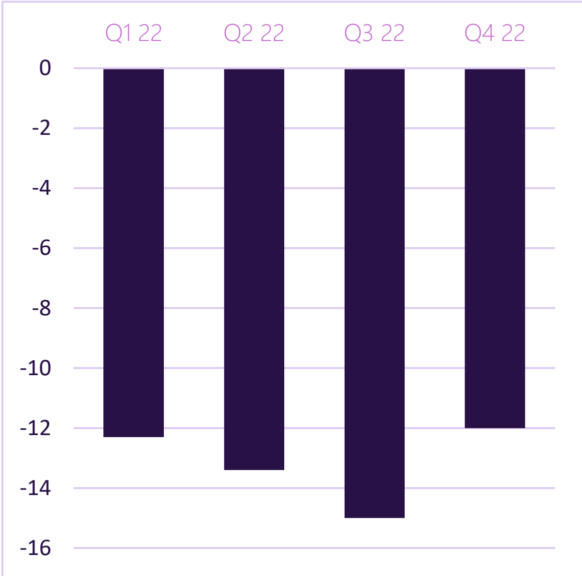
- Bridges & crossings
- Aquaculture
- Construction & Installation survey
- Early planning & design survey
- Inspection & maintenance survey



REVENUE
PER QUARTER



EBITDA
PER QUARTER



STEADILY DEVELOPING FLEET
TO MEET MARKET DEMAND

ARGEO ROBOTICS
DEVELOPMENT

- Argeo's EM sensor systems Argeo LISTEN and Argeo WHISPER commercialized
- Argeo's digital platform Argeo SCOPE commercialized

IP
PATENT APPLICATIONS

5	2	1
2021	2022	GRANTED

Board of Director’s Report

Argeo is an Offshore Service company with a mission to transform the ocean surveying and inspection industry by utilizing autonomous surface and underwater robotics solutions. Equipped with unique sensors and advanced digital imaging technology, the Autonomous Underwater Vehicles (AUV's) will significantly increase efficiency and imaging quality in addition to contributing to significant reduction in CO2 emissions from operations for the global industry in which the Company operates.

The Company's highly accurate digital models and digital twin solutions are based on geophysical, hydrographic, and geological methods from shallow waters to the deepest oceans for the market segments Oil & Gas, Renewables, Marine Minerals and Offshore Installations.

The Company was established in 2017 and is located in Norway with offices in Asker and Tromsø. Argeo has also offices in Houston, Singapore, and Rio.

Operations:
The Hugin 1000 system worked in Q1 2022 on an AUV-project in Brazil, with the last part of the contract completed in late Q2.

In February 2022, the first of two ordered SeaRaptor AUV's was delivered. It completed a NOK 8.5 million contract for Statens Vegvesen (Norwegian Public Roads Administration) on the Bjørnafjorden E36 crossing in April and commenced thereafter work at Utsira Nord for a MultiClient offshore wind project.

The second SeaRaptor AUV was delivered in Q3 2022. The SeaRaptors first ultra deep-water project was planned and executed during the summer to acquire important data and at the same time initiate full depth qualification of the system prior to the more complex deep-water projects coming.

In March 2022 Argeo signed an agreement with Kongsberg Maritime for the purchase of a Hugin 6000 AUV (Autonomous Underwater Vehicle) for delivery in 2022. The Hugin 6000 is Argeo's second Hugin system and commenced a 6-month contract with expected USD 2.5 million EBITDA directly after delivery to Argeo late August 2022. The contract can be extended with another 6 months, with expected USD 2 million EBITDA.

The Argeo Argus USV (Autonomous Surface Vessel) was delivered from Maritime Robotics in 2022, and the USV completed its first data acquisition project in Northern Norway in Q4 2022.

The Argeo organization has grown from 35 to 49 employees during 2022, preparing for increased activity in 2023.

An office with necessary licences to operate was established in Rio during 2022, focusing on business development in this region.

Argeo Robotics has submitted a total of 7 patent applications, of which 2 in 2022, for AUV related technology which consist of both sensor hardware and accompanying data processing techniques. One patent was granted in 2022.

Net income, investments, financing, and liquidity

Revenues for the Group increased from NOK 15.8 million in 2021 to NOK 33.6 million in 2022. Net loss for the Group in 2022 was NOK 76.3 million, compared to a net loss of NOK 18.1 million in 2021. Net loss for the Group in 2022 is mainly due to a further ramp up of the organisation and preparation for the activities in 2023. Loss in 2022 also includes a reversal of tax benefits from earlier years amounting to NOK 6.3 million, with a deferral of the majority of tax benefits until the Group is profitable.

Parent company Argeo AS did not have any revenue in 2022 or in 2021. Net profit for 2022 was NOK 4.3 million, compared to a net income of NOK 3.4 million in 2021. Net income for both years is mainly due to interest income on intercompany loans, and income tax benefit.

Total assets at year-end 2022 for the Group amounted to NOK 345.8 million, compared to NOK 167.3 million at year-end 2021.

Total assets at year-end 2022 for Parent amounted to NOK 295.5 million, compared to NOK 170.4 million at year-end 2021.

The Group invested NOK 219.0 million in property, plant and equipment, NOK 24.4 million in intangible assets and NOK 4 million in multi-client library in 2022. In 2021, the Group invested NOK 3.7 million in property, plant and equipment and NOK 7.1 million in intangible assets. In addition, Argeo paid in 2021 NOK 65.2 million in prepayments on assets ordered in 2021 for delivery in 2022. Argeo received Governmental funding from "Skattefunn" (R&D tax incentive scheme) and Innovation Norway amounting to NOK 6.4 million in 2022 and NOK 2.2 million in 2021. The grants are related to development projects and recorded in the balance sheet as a reduction in intangible assets.

Other receivables in the end of 2022 amounts to NOK 44.5 million for the Group and NOK 121.0 million for the Parent. Both includes NOK 35.9 million unpaid share capital from the share issue made in December 2022. The remaining amount for the Parent is mainly intercompany receivables.

Cash and cash equivalents as of 31 December 2022 for the Group amounts to NOK 21.3 million, compared to NOK 65.9 million on 31 December 2021.

Cash and cash equivalents as of 31 December 2022 for the Parent amounts to NOK 14.5 million, compared to NOK 52.6 million on 31 December 2021.

Equity was NOK 189.1 million at the end of 2022 for the Group, compared to NOK 148.1 million at the end of 2021.

Equity was NOK 292.0 million at the end of 2022 for the Parent, compared to NOK 170.3 million at the end of 2021.

Net cash from operating activities for the Group in 2022 amounts to minus NOK 18.2 million, compared to minus NOK 97.1 million in 2021. In 2021, NOK 65.2 million is related to prepayment on assets ordered for delivery in 2022.

Argeo was granted a NOK 20 million loan from Innovation Norway in December 2022, which was drawn in Q2 2023. The loan has initially 6.2% interest as is repaid over six years.

Outlook

We are on track to transition from being a scale-up company to becoming an established global operator. Thanks to our new and more resilient strategy, successful commercial ramp-up, and the development of cutting-edge technology by Argeo Robotics, we are poised to expand our presence in the global market. With our proven track record of delivering high-quality services and solutions to our clients, we are well-positioned to cement our place as an important player in the industry. We remain committed to our core values of innovation, reliability, and sustainability, which will continue to drive our growth and success in the years to come. We are experiencing growth across our established geomarkets, with the O&G and Offshore Wind sectors showing significant increases in project sanctioning, resulting in high demand for offshore services globally. Additionally, we are excited about the positive signs we are seeing in the new and promising marine minerals market. Prospective clients with active mineral extraction operations in APAC, and environmental and resource data acquisition programs taking place in the Atlantic region. As a key contributor to knowledge for further impact studies, Argeo is proud to play a critical role in advancing the field. We remain committed to providing our clients with cutting-edge technology and unparalleled service to drive growth in these exciting new markets and beyond.

Financial risk

Interest rate

Total long-term debt at the end of 2022 is NOK 106.5 million. 4.3% is interest bearing, hence low risk.

Foreign currency

The company is exposed to currency fluctuations due to the international nature of its operations. Fluctuations in USD, GBP and EUR constitute a risk, as a significant share of the Company's purchases come from suppliers who invoice in these currencies. Currently, there is no currency hedging.

The Company has NOK 101.9 million in seller credits at the end of 2022, all nominated in USD. Fluctuations in USD can have a significant impact on the value of the debt.

Credit risk

The risk for losses on receivables is low, however, it can be expected to increase as the company grows. The company has not yet experienced any losses on receivables.

Liquidity risk

Management of liquidity risk is given high priority. Argeo completed two private placements in 2022: NOK 75 million in April and NOK 50 million in December. In addition, a NOK 5.2 million subsequent offering was completed in February 2023. Argeo has also been granted a NOK 20 million loan from Innovation Norway, which was drawn in Q2 2023. The group manages liquidity risk by maintaining sufficient cash and cash equivalents, seeking the availability of equity funding and debt funding, and by continuously monitoring forecast and actual cash flows.

Going concern

In accordance with Norwegian accounting legislation, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on estimates and expectations for 2023 and the Group's long-term strategy.

Allocation of net loss and dividends

Argeo Group had a net loss of NOK 76.3 million in 2022. The parent company Argeo AS had a net profit of NOK 4.3 million in 2022. The Board of Directors has proposed the net profit in Argeo AS to be allocated to other equity, and that no dividend is distributed.

The working environment

At year-end 2022, the Argeo Group had 49 employees.

It is the objective of the Company to provide for safe practices in operation and a safe working environment. This objective will be achieved by;

- Maintaining high standards for safety consciousness, personal discipline and individual accountability by adherence to a comprehensive and documented system of training.
- Actively promoting employee participation in measures aimed at improving safety.
- Keeping all personnel informed of any known or potential hazards that may affect themselves and their colleagues.

Equality applies to all practices and guidelines relating to the recruitment process and hiring of all workers. We respect and protect the fundamental human and workers' rights in a manner consistent with laws and regulations.

The Group promotes a healthy workplace by prohibiting discrimination due to gender, race, age, ethnicity, disability, sexual orientation, or religion and provides fair compensation for employees' work.

Leave of absence due to illness in 2022 was 1.9% and remains at a low and manageable level. Argeo unfortunately suffered one restricted work case during 2022 that had a negative impact on our HSE performance as a whole. This relates to an incident in our offices.

Environment

The Company's operations offshore raise some environmental issues. Argeo places considerable emphasis on prevention of negative environmental impact of their operations. It is the policy of the Company to maintain a safe and pollution-free operating practice that complies with national and international regulations and relevant standards and guidelines. It is the objective of the Company to continuously improve the management skills in relation to environmental protection.

Corporate governance

Argeo considers good corporate governance to be a prerequisite for trustworthiness, value creation, and access to capital. To secure strong and sustainable corporate governance, it is important that Argeo ensures good and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations. The Company is incorporated and registered in Norway and is subject to Norwegian law. The shares of Argeo are listed on Euronext Growth. As a Norwegian public limited liability company, Argeo must comply with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Euronext Growth, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations. In accordance with the Company's adopted Code of Conduct we strive to operate our business in a way that will provide lasting benefits to all stakeholders, customers, partners, shareholders, employees, and suppliers in addition to the communities in which we operate.

Corporate Social Responsibility Statement

In accordance with the company's adopted code of conduct, we strive to conduct our business in a way that facilitates the proper consideration of the working environment, social conditions, human rights, workplace health, safety, diversity, and inclusion.

Subsequent events

A subsequent offering of NOK 5.2 million was completed in February 2023. 3 124 368 new shares were issued at NOK 1.65 per share.

In February 2023, Argeo was awarded a contract comprising of multi-sensor data acquisition with AUV for the Polish Geological Institute – National Research Institute (PGI-NRI), to fulfil seabed mineral exploration work under the provisions and scope of the Government of Poland Contract with the ISA.

In March 2023, Argeo announced a collaboration project with an undisclosed long-standing multi-client player to conduct the world's first multi-client data collection at the Mid-Atlantic Ridge for the emerging deep-sea minerals market.

In March 2023, Argeo signed a survey contract with Stromar, a consortium made up of Ørsted, Renantis and BlueFloat Energy. The contract will start in Q3 2023 to conduct a geophysical survey in the project's offshore wind farm area, located in the Moray Firth off the coast of Scotland.

In April 2023, Argeo was awarded a contract from the Norwegian Petroleum Directorate for a deep-sea mineral survey in Norway. Contract value is NOK 37 million, with expected duration 8 weeks including mobilisation and demobilisation.

In April 2023, Argeo confirmed contract extension to March 2024 for the Hugin 6000 AUV project announced in March 2022.

Insurance for board members and executive management

Argeo has liability insurance for the board and executive management covering any indemnity for financial loss arising from personal managerial liability, including personal liability for the company's debts, arising out of any claim first made against the company.

Statement of the Board and CEO

The Board and CEO have today considered and approved the Director's Report and Annual Financial Statements for Argeo AS as of December 31, 2022 (Annual Report 2022).

To the best of our knowledge:

- The Annual Financial Statements for 2022 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice for small entities in Norway (NRS 8).
- The information in the Annual Financial Statements gives a true and fair view of the assets, liabilities, financial position, and overall results as of December 31, 2022.
- The Director's Report gives a true and fair view of:
    - The development, result, and position of the company.
    - The principal risks and uncertainties faced by the company.

The Board of Directors and CEO of Argeo AS
Asker, 9th May 2023

Jan P. Grimnes
Chairman

Geir Kaasen
Board Member

Arne Kjørsvik
Board Member

Jim Dåtland
Board Member

Lars Petter Utseth
Board Member

Heidi G. Holm
Board Member

Trond F. Crantz
CEO

Argeo Group

Consolidated Income Statement

Amounts in NOK 1 000	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
Operating revenues:					
Sales revenue		33 497	15 372	0	0
Governmental grants	**3**	86	470	0	0
Total revenues		**33 583**	**15 842**	**0**	**0**
Operating expenses:					
Operating cost		31 266	17 439	0	0
Employee expenses	**4**	62 425	22 662	956	770
Other operating expenses		17 954	8 755	1 622	1 397
Capitalisation of cost		-26 326	-6 367	0	0
Depreciation	**5, 6**	12 481	1 276	0	0
Total operating expenses		**97 800**	**43 766**	**2 578**	**2 167**
Operating profit/(loss)		**-64 217**	**-27 924**	**-2 578**	**-2 167**
Financial income and expenses:					
Income/ (loss) equity investments		-3 183	-471	0	0
Financial income	**7**	296	89	6 451	2 402
Financial expenses	**7**	-733	-433	-478	-166
Net foreign exchange gain (loss)		-2 149	776	1	0
Net financial items		**-5 770**	**-38**	**5 974**	**2 236**
Income/(loss) before income taxes		**-69 986**	**-27 962**	**3 397**	**69**
Income tax expense (benefit)	**8**	-6 309	9 848	943	3 304
Net income/(loss) for the year		**-76 296**	**-18 113**	**4 339**	**3 373**

Argeo Group

Consolidated Statement of Financial Position as of 31 December

Amounts in NOK 1 000	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
ASSETS					
Non-current assets					
Other intangible assets	**3, 5**	24 304	7 647	0	0
Deferred tax asset	**8**	4 349	10 259	4 349	3 406
Property, plant and equipment	**6**	211 840	3 965	0	0
Shares in associated companies	**9**	2 295	5 479	0	0
Shares in subsidiaries	**10**	0	0	155 676	55 676
Multi-client library		4 000	0	0	0
Total non-current assets		**246 788**	**27 350**	**160 025**	**59 082**
Current assets					
Trade receivables		17 582	6 164	0	0
Spare parts		15 630	0	0	0
Other receivables	**11**	44 468	67 964	121 034	58 695
Cash and cash equivalents	**12**	21 313	65 862	14 452	52 623
Total current assets		**98 992**	**139 990**	**135 487**	**111 318**
Total assets		**345 781**	**167 340**	**295 511**	**170 401**
EQUITY					
Share capital	**13**	5 110	2 744	5 110	2 744
Additional paid-in capital		279 545	164 558	279 545	164 558
Other equity		-95 547	-19 251	7 366	3 026
Total equity	**14**	**189 108**	**148 051**	**292 021**	**170 328**
LIABILITIES					
Non-current liabilities					
Long term debt	**16**	106 482	5 933	0	0
Total non-current liabilities		**106 482**	**5 933**	**0**	**0**
Current liabilities					
Trade payables		23 784	6 288	3 443	24
Taxes payable	**8**	0	100	0	0
Public duties		3 335	1 879	48	48
Other current liabilities		23 072	5 089	0	0
Total current liabilities		**50 190**	**13 356**	**3 491**	**73**
Total liabilities		**156 672**	**19 289**	**3 491**	**73**
Total equity and liabilities		**345 781**	**167 340**	**295 511**	**170 401**

The Board of Directors and CEO of Argeo AS
Asker, 9th May 2023

Jan P. Grimnes
Chairman

Lars Petter Utseth
Board Member

Geir Kaasen
Board Member

Arne Kjørsvik
Board Member

Heidi G. Holm
Board Member

Jim Dåtland
Board Member

Trond F. Crantz
CEO

Argeo Group

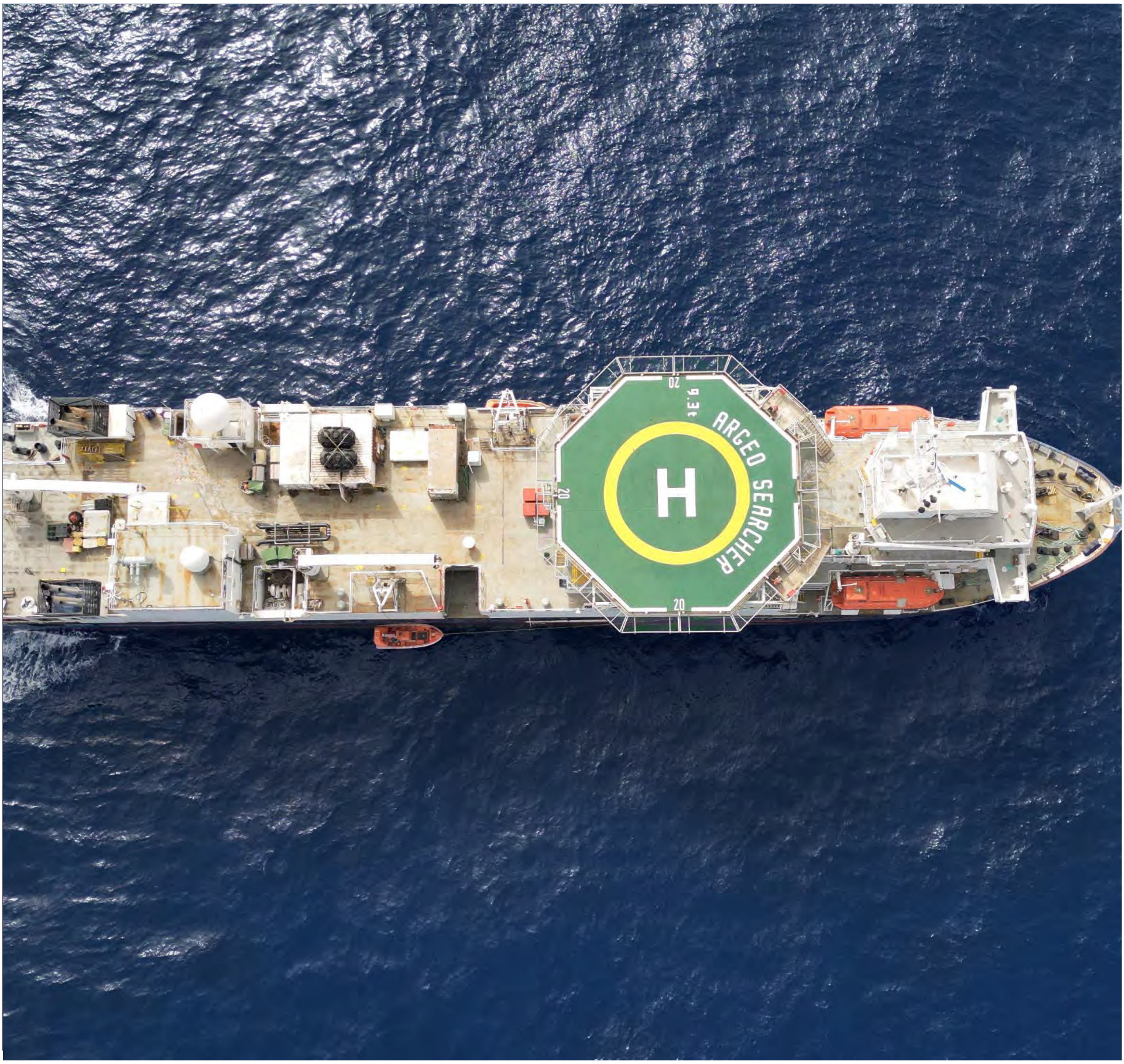
Consolidated statement of changes in equity

Amounts in NOK 1 000	Share capital	Additional paid-in capital	Accumulated earnings	Total equity
Balance as of 1.1.2022	**2 744**	**164 558**	**-19 251**	**148 051**
Profit/(loss) for the period	0	0	-76 296	-76 296
New equity not registered	0	35 943	0	35 943
Net proceeds from new equity	2 366	79 045	0	81 410
Balance as of 31.12.2022	**5 110**	**279 545**	**-95 547**	**189 108**
Balance as of 1.1.2021	**610**	**6 781**	**-1 188**	**6 203**
Profit/(loss) for the period	0	0	-18 113	-18 113
Effect of establish JV	0	0	50	50
Net proceeds from new equity	2 134	157 777	0	159 911
Balance as of 31.12.2021	**2 744**	**164 558**	**-19 251**	**148 051**

Argeo Group

Consolidated statement of cash flow

Amounts in NOK 1 000	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
Cash flow from operating activities					
Profit/(loss) before tax		-69 986	-27 962	3 397	69
Depreciation	**5, 6**	12 481	1 276	0	0
Financial income	**7**	-267	-89	-6 451	-2 402
Financial expense	**7**	2 853	433	-478	166
Gain/Loss equity investments		3 183	471	0	0
Change in current assets		-3 551	-69 420	-62 339	-57 490
Change current liabilities		37 101	-1 810	3 418	80
Net cash from operating activities		**-18 185**	**-97 101**	**-62 453**	**-59 578**
Cash flow from investing activities					
Investment in property, plant and equipment	**6**	-218 962	-3 687	0	0
Capitalisation of development cost	**5**	-18 052	-4 903	0	0
Investment in Multi-client library		-4 000	0	0	0
Investment in subsidiary	**10**	0	0	-100 000	-50 000
Investment in associated companies	**9**	0	-5 871	0	0
Sale AUV to JV associated companies	**6**	0	10 838	0	0
Net cash from investing activities		**-241 014**	**-3 624**	**-100 000**	**-50 000**
Cash flow from financing activities					
Net proceeds from new equity	**14**	117 353	159 911	117 353	159 911
Proceeds from new debt	**16**	122 743	0	0	0
Repayment of debt	**16**	-25 009	-760	0	0
Financial income	**7**	267	89	6 451	2 402
Financial expense	**7**	-704	-433	478	-166
Net cash flow from financial activities		**214 650**	**158 807**	**124 282**	**162 147**
Net change in cash and cash equivalents		-44 549	58 082	-38 171	52 569
Cash and cash equivalents begin. of period		65 862	7 780	52 623	54
Cash and cash equivalents end of the period		**21 313**	**65 862**	**14 452**	**52 623**



Notes

Notes to the consolidated financial statements

Note 1. Introduction

Argeo AS and its subsidiaries (the "Group", "the Company", or "Argeo") offers services and technical solutions to the surveying and inspection industry. Argeo is a publicly listed company on the Euronext Growth, with ticker symbol ARGEO and was admitted to trading on Euronext Growth 26 April 2021.

The Company is a limited liability incorporated and domiciled in Norway. The address of its registered office is Nye Vakåsvei 14, 1395 Hvalstad.

These financial statements have been approved by the Board of Directors and the Chief Executive Officer on 9 May 2023.

Note 2. Summary of significant accounting policies

2.1 Basis for preparation
The Financial Statements with accompanying notes have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles for smaller companies.

The financial statements have been prepared on the going concern basis.

2.2 Basis of consolidation
The Group's consolidated financial statements comprise Argeo AS and companies in which Argeo has a controlling interest. A controlling interest is normally attained when the Group owns, either directly or indirectly, more than 50% of the shares in the company and is capable of exercising control. There are no minority interests.

The acquisition method is applied when accounting for business combinations. Companies which have been bought or sold during the year are consolidated from or until the date on which control is acquired or lost.

Inter-company transactions and balances are eliminated in full in the consolidated financial statement.

The consolidated financial statements are prepared based on the assumption of uniform accounting policies for identical transactions and other events under equal circumstances.

2.3 Current versus non-current classification
Current assets and liabilities comprise items receivable/due within one year and items related to the inventory cycle assets are valued at the lower of cost and fair value.

2.4 Cash and cash equivalents
Cash includes cash at hand and bank. Cash equivalents are short-term liquid investments that can be readily converted into a known amount of cash and are considered to have insignificant risk elements.

2.5 Trade receivables
Trade receivables are carried at historical cost. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flow is recognized as a loss.

2.6 Governmental grants
Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as revenue over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recorded as a reduction of the asset up to the amount that covers the cost price.

2.7 Property, plant and equipment
Non-current assets are carried at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are derecognized, and any gain or loss on the sale or disposal is recognized in the income statement.

The gross carrying amount of non-current assets is the purchase price, including duties/taxes and direct acquisition costs relating to making the non-current asset ready for use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method over the following periods:

Field equipment	3-7 years
Fixtures, furniture, fittings and office computers	3 years

For field equipment, 3-5 years is used for in-water items, and 7 years for all other equipment.

The depreciation period and method are assessed each year to ensure that the method and period used are in line with the useful life of the non-current asset. The same applies to the scrap value.

Equipment under construction is classified as non-current assets and recognized at the costs incurred in relation to the construction. Equipment under construction is not depreciated until the non-current asset is ready for use.

2.8 Subsidiaries
Investments in subsidiaries are valued at cost in the company accounts. The investments are valued at cost less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.
Investments in associated companies are valued using equity.

2.9 Intangible assets
Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development cost can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred. Capitalised development is amortized linearly over the economic lifetime. Licenses are depreciated over 10 years.

2.10 Operating leases
Leases for which most of the risk and control rests with the other contracting party are classified as operating leases. Lease payments are classified as operating costs and recognized in the income statement over the contract period.

2.11 Provisions
Provisions are recognized when, and only when, the Group has a valid liability (legal or constructive) as a result of events that have taken place and it can be proven probable (more probable than not) that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value for the future payments to cover the liability.

Contingent liabilities acquired upon the purchase of operations are recognized at fair value even if the liability is not probable. The assessment of probability and fair value is subject to a quarterly review. Changes in the fair value are recognized in the income statement.

2.12 Equity
Financial instruments are classified as liabilities or equity in accordance with the underlying financial reality. Share capital issued is recognised at the fair value of the cash, or other consideration received. The nominal value of the shares is credited to share capital and the remaining balance is taken to share premium.

Transaction costs relating to an equity transaction are recognized directly in equity. Only transaction cost directly linked to the equity transaction are recognized directly in equity.

2.13 Revenue
The Group recognises revenue when persuasive evidence of a sale arrangement exists, delivery has occurred or services have been rendered, the sales price is fixed or determinable and collection is reasonably assured. The Group defers the unearned component of payments received from customers for which the revenue recognition requirements have not been met.

2.14 Employee benefits
<u>Defined contribution pensions</u>
The Group has made contributions to local pension plans. These contributions have been made for all employees. The Group's payments are recognised in the income statement in the period to which the contribution applies. The Group has no further obligations once the contributions have been made.

2.15 Share based payment
The Group has an option plan for employees and board members. In accordance with the exemption rules for smaller companies, the options are not recognized in the financial statements.

2.16 Taxation
The tax expense consists of the tax payable and changes to deferred tax. Deferred tax assets or liabilities are calculated with 22% on all taxable temporary differences as per 31.12.22.

2.17 Foreign currency
Currency transactions are translated at the rate applicable on the transaction date. Foreign exchange gain/ losses that arise as a result of changes in the exchange rate between the transaction date and the payment date are recognised in the income statement. At the balance sheet date balances not being reflected in NOK are translated to NOK at the rate of exchange applicable on the balance sheet date.

2.18 Significant accounting judgements and estimates
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Note 3. Sales revenue

The Group received grants from Innovation Norway amounting to NOK 2.4 million in 2022. 86 thousand was booked as income, 2.3 million was booked as reduction in other intangible assets. In 2021, grants from Innovation Norway were 2,7 million, of which 0.5 million was booked as reduction in other intangibles.

Note 4. Employee expenses, number of employees and remuneration to auditor

Amounts in NOK 1 000

	Group	Group	Parent	Parent
Employee expenses:	**2022**	**2021**	**2022**	**2021**
Salaries	51 677	19 003	838	675
Payroll tax	6 617	2 194	118	95
Pension	2 391	1 006	0	0
Other payments	1 739	459	0	0
Total	**62 425**	**22 662**	**956**	**770**

The Group had in average 45 employees in 2022. The Group is obliged to offer its employees an occupational pension scheme according to Norwegian law. The Group has a defined contribution plan for all its employees which fulfil all governmental requirements. The amount per employee in 2022 was 5% of ordinary salary up to 7.1G, and 9.1% of ordinary salary between 7.1 and 12G.

	Group	Group	Parent	Parent
Compensation to auditors:	**2022**	**2021**	**2022**	**2021**
Statutory work	500	146	184	63
Other assurance services	79	45	31	16
Total	**579**	**191**	**215**	**79**

Note 5. Other intangible assets

Amounts in NOK 1 000
Group

	Development	Licenses	Software	Sum
Cost as of 1 January	8 302	548	187	9 037
Additions	21 734	1 451	1 222	24 406
Governmental grants	-6 354	0	0	-6 354
Cost as of 31 December	23 682	1 999	1 408	27 089
Accumulated depreciation as of 1 January	1 389	0	0	1 389
Depreciation	1 031	342	21	1 395
Accumulated depreciation as of 31 December	2 421	342	21	2 784
Net book value at 31 December	**21 261**	**1 657**	**1 387**	**24 304**
Useful life	5 years	5 years	5 years	
Depreciation method	Linear	Linear	Linear	

Development cost is related to development of a 3D Geological modelling system, Argeo’s digital twin solution “Argeo Scope”, and various sensor solutions.

Note 6. Property, plant and equipment

Amounts in NOK 1 000
Group

	Office equipment	Misc equipment	AUV, USV	Sum
Cost as of 1 January	1 631	3 617	141	5 389
Additions	1 915	10 215	206 832	218 962
Cost as of 31 December	3 547	13 832	206 973	224 351
Accumulated depreciation as of 1 January	536	889	0	1 425
Depreciation	749	1 180	9 157	11 086
Accumulated depreciation as of 31 December	1 285	2 069	9 157	12 511
Net book value at 31 December	**2 262**	**11 763**	**197 816**	**211 840**
Useful life	3 years	3-5 years	7 years	
Depreciation method	Linear	Linear	Linear	

Note 7. Financial income and expenses

Amounts in NOK 1 000

Financial income:	**Group 2022**	**Group 2021**	**Parent 2022**	**Parent 2021**
Interest income	267	89	6 451	2 402
Other financial income	29	0	0	0
Total	**296**	**89**	**6 451**	**2 402**

Financial expenses:	**Group 2022**	**Group 2021**	**Parent 2022**	**Parent 2021**
Interest expense	256	266	1	0
Other financial expense	478	167	476	166
Total	**733**	**433**	**478**	**166**

Note 8. Income tax

Amounts in NOK 1 000

Income tax expense:	Group 2022	Group 2021	Parent 2022	Parent 2021
Taxes payable	399	100	0	0
Effect of establish JV	0	-28	0	0
Changes in deferred tax	5 911	-9 920	-943	-3 304
Total income tax expense	**6 309**	**-9 848**	**-943**	**-3 304**
Calculation of tax basis:	**2022**	**2021**	**2022**	**2021**
Result before tax	-69 986	-27 962	3 397	69
Permanent differences	-10 773	-16 734	-7 681	-15 089
Change in temporary differences	82 572	45 152	4 284	15 020
Total tax basis	**1 813**	**456**	**0**	**0**
Taxes payable 22%	**399**	**100**	**0**	**0**
Temporary differences:	**2022**	**2021**	**2022**	**2021**
Fixed assets	10 468	-1 948	0	0
Financial assets	-15 191	-3 470	0	0
Losses to be carried forward	-124 467	-41 200	-19 767	-15 483
Total temporary differences	**-129 190**	**-46 619**	**-19 767**	**-15 483**
Deferred tax benefit	**-28 412**	**-10 259**	**-4 349**	**-3 406**
Deferred tax benefit not recognized in balance sheet	24 063	0	0	0
Deferred tax benefit recognized in balance sheet	**-4 349**	**-10 259**	**-4 349**	**-3 406**

Un-recognized tax benefit will be utilised when the company becomes profitable.

There is no expiry on losses carried forward.

Note 9. Investment in associated companies

Subsidiaries	Jurisdiction	Cost price	Shares / Voting rights	Establishment/ Acquisition	Result 2022	Equity 2022
H1000 JV AS [1)]	Norway	6 000 000	50 %	December 2020	-6 366 913	4 590 199

[1)] H1000 JV AS is 50% owned by Argeo Survey AS
Associated companies are recorded using equity method

Note 10 Investment in subsidiaries

Details of the subsidiaries which have been consolidated in the group financial statements on 31 December 2022 are as follows:

Subsidiaries	Jurisdiction	Cost price	Shares / Voting rights	Establishment/ Acquisition	Result 2022	Equity 2022
Argeo Survey AS	Norway	155 646 096	100 %	May 2014	-47 919 608	86 125 979
Argeo Robotics AS	Norway	30 000	100 %	July 2019	571 960	654 229
Argeo Inc	USA	0	100 %	May 2021	-692 201	-692 675
Argeo Services PTE Ltd	Singapore	96 944	100 %	October 2021	-104 155	31 144
Argeo do Brazil Ltda	Brazil	400 000	100 %	April 2022	-1 773	371 147

There are no non-controlling interests in the group.

Note 11 Other receivables

Other receivables in 2022 includes NOK 35.9 million unpaid share capital from the share issue made in December 2022. In 2021, other receivables includes a prepayment of NOK 65.2 million related to purchase of AUV's for delivery in 2022.

Note 12 Restricted cash

Amounts in NOK 1 000

	Group 2022	Group 2021	Parent 2022	Parent 2021
Withholding taxes included in cash and cash equivalents	1 948	1 937	71	155

Note 13 Share capital and shareholders information

As of 31 December 2022, the Company had a share capital of NOK 5 109 696 divided on a total of 51 096 960 shares. The face value of each share is NOK 0.1. All shares have equal voting rights.

Top 20 shareholders at 31.12.2022:

Shareholder	Shares	Ownership
PRO AS	4 209 487	8,2%
DNB Markets Aksjehandel/-analyse	4 200 000	8,2%
LANGEBRU AS	4 150 000	8,1%
DNB BANK ASA, meglerkonto innland	3 944 994	7,7%
DNB BANK ASA	3 721 160	7,3%
LINDVARD INVEST AS	2 520 021	4,9%
REDBACK AS	2 469 512	4,8%
ASCENT AS	2 307 235	4,5%
TROPTIMA AS	1 830 968	3,6%
Performa Consulting AS	1 630 968	3,2%
EKS AS	1 369 000	2,7%
BERGEN KOMMUNALE PENSJONSKASSE	1 350 000	2,6%
STAVANGER KOMMUNE	1 287 331	2,5%
KISTEFOS AS	1 218 292	2,4%
EMGANI AS	945 439	1,9%
MP PENSJON PK	879 000	1,7%
WOLFF, DYLAN ANDREW	855 660	1,7%
KRISTIAN FALNES AS	686 902	1,3%
NORDNET LIVSFORSIKRING AS	640 981	1,3%
SPAREBANK 1 MARKETS AS, Market-making	580 558	1,1%
Total top 20	40 797 508	79,8%
Other	10 299 452	20,2%
Total	**51 096 960**	**100,0%**

Note 14 Equity

Amounts in NOK 1 000

Group	Issued capital	Additional paid-in capital	Other equity	Total Equity
At 1 January 2022	2 744	164 558	-19 251	148 051
Profit/(loss) for the year	0	0	-52 389	-52 389
New equity not registered	0	35 943	0	35 943
Net proceeds from new equity	2 366	79 045	0	81 410
At 31 December 2022	**5 110**	**279 545**	**-71 640**	**213 015**

Parent	Issued capital	Additional paid-in capital	Other equity	Total Equity
At 1 January 2022	2 744	164 558	3 026	170 328
Profit/(loss) for the year	0	0	4 339	4 339
New equity not registered	0	35 943	0	35 943
Net proceeds from new equity	2 366	79 045	0	81 410
At 31 December 2021	**5 110**	**279 545**	**7 366**	**292 021**

A private placement of 30 300 000 new shares was made 20 December 2022, raising gross proceeds of NOK 50 million. The placement consisted of one tranche of 8 516 160 new shares ("Tranche 1"), and a second tranche of 21 783 840 new shares ("Tranche 2"). The Tranche 1 shares were issued 22 December 2022 pursuant to an earlier authorization granted to the board. After this issuance, Argeo had 51 096 960 shares outstanding at the end of 2022. The Tranche 2 shares were issued 3 January 2023, resulting in 72 880 800 shares outstanding.

A subsequent offering of NOK 5.2 million was completed in February 2023. 3 124 368 new shares were issued at NOK 1.65 per share.

In February 2023, the Company issued 139 337 new shares to CEO Trond F. Crantz, related to exercise of warrants under the “Tranche 1 Warrants” plan as described above. The exercise price for each of the warrants was NOK 0.282 per share.

After the subsequent offering and warrants exercise, Argeo has 76 144 505 shares outstanding.

Authorisations/ warrants:
The Company issued in December 2020 624 772 warrants (Tranche 1 Warrants), which replaced earlier authorisations to issue new shares under its share option program. The warrants may be exercised in relation to the Company's option program and are valid until December 2025. As of 31 December 2022, 485 434 warrants are outstanding.

3 750 000 new warrants (Tranche 2 Warrants) were issued in April 2020 to existing shareholders of the Company before the private placement. A total of 1,875,000 Tranche 2 Warrants can be exercised at NOK 0.10 given a demonstrated share market price appreciation of two times the Subscription Price within the next two years and the remaining 1,875,000 Tranche 2 Warrants can be exercised at NOK 0.10 given a demonstrated share market price appreciation of three times the Subscription Price within a period of 4 years. As of 31 December 2022, there had not been issued any shares from this authorisation.

The Company's general meeting gave in December 2021 an authorisation to increase the Company's share capital with up to NOK 182 324.40, equal to an issuance of up to 1 823 244 new shares. The authorisation can be used to issue new shares in relation to the Company's option program. The authorisation is valid until 2 December 2023. As of 31 December 2022, there had not been issued any shares from this authorisation.

Note 15 Share-based payments

In 2019 the Company established a share option programme that entitles key management personnel and members of the board to purchase shares in the Company.

In December 2020, 624 772 outstanding options were replaced by warrants. The warrants have an average strike price of NOK 1.46 and are all fully vested. Expiry is at various intervals from 10 February 2024 to 23 December 2025.

In 2021, 995,000 share-options were granted to board members and employees. The grants have a strike price of NOK 8.20. The options will vest over 3 years and mature after 5 years.

2022:	
As of 1 January 2022	1 619 772
Exercised/ terminated during the year	-254 337
Granted during the year	0
As of 31 December 2022	**1 365 435**

2021:	
As of 1 January 2021	624 772
Granted during the year	995 000
As of 31 December 2021	**1 619 772**

Share options at the end of 2022 have the following expiry date and exercise prices:

Expiry date	Excercise price	Options
10.2.2024	20,000	6 000
10.2.2024	0,282	399 435
1.7.24	20,000	18 000
10.2.25	20,000	6 000
7.9.25	0,830	50 000
23.12.25	20,000	6 000
16.4.26	8,200	450 000
16.12.26	8,200	430 000
		1 365 435

778 768 of outstanding options at the end of 2022 are exercisable.

Note 16 Long term debt

Amounts in NOK 1 000

Group	Nominal rate of interest	Booked value 2022	Booked value 2021
Seller credits	0,00 %	101 909	0
Loans Innovation Norway	5.95%	4 573	5 933
Total long term debt		**106 482**	**5 933**

Seller credits:
Argeo has NOK 101.9 million in seller credits related to purchases of AUV’s. Some of the repayment is linked to the lease-back agreement with Teledyne where they rent a SeaRaptor AUV for a certain number of days during a 3-year period from delivery.

Loans:
Argeo had two loans from Innovation Norway at the end of 2022, bearing an interest at 5.95%. Both loans are secured with machinery and plant in Argeo Survey AS. One of the loans are also secured with the shares owned by Argeo Survey AS in its 50% ownership in H1000 JV AS. The loans are repaid over 5.5/6 years.

Argeo was granted a new loan from Innovation Norway in December 2022. The loan was drawn in Q2 2023.

Note 17 Guarantees

Argeo AS has guaranteed for office rent in Asker on behalf of Argeo Survey AS. The guarantee is limited to 6 months rental.

Note 18 Related parties

Group and Parent
Shares and options held by members of the Board and CEO, as of 31 December:

		Shares		Share options / warrants	
Name		**2022**	**2021**	**2022**	**2021**
Trond F. Crantz [1)]	CEO	2 307 235	2 067 898	1 410 587	1 549 924
Jan P. Grimnes [2)]	Chairman	2 469 512	1 469 512	223 689	223 689
Geir Kaasen [3)]	Board member	109 662	109 662	187 415	187 415
Ann-Christin Andersen	Board member	0	0	70 000	70 000
Jim Dåtland	Board member	0	0	70 000	70 000
Arne Kjørsvik	Board member	0	0	70 000	70 000
Total		**4 886 409**	**3 647 072**	**2 031 691**	**2 171 028**

1) Trond F. Crantz is owner of Ascent AS.

2) Jan P. Grimnes is Chairman in Redback AS. He is, together with closely relatives, majority shareholder in Redback AS.

3) Geir Kaasen is owner of Eurovest AS.

Note 19 Subsequent events

In February 2023, Argeo was awarded a contract comprising of multi-sensor data acquisition with AUV for the Polish Geological Institute – National Research Institute (PGI-NRI), to fulfil seabed mineral exploration work under the provisions and scope of the Government of Poland Contract with the ISA.

In March 2023, Argeo announced a collaboration project with an undisclosed long-standing multi-client player to conduct the world's first multi-client data collection at the Mid-Atlantic Ridge for the emerging deep-sea minerals market.

In March 2023, Argeo signed a survey contract with Stromar, a consortium made up of Ørsted, Renantis and BlueFloat Energy. The contract will start in Q3 2023 to conduct a geophysical survey in the project's offshore wind farm area, located in the Moray Firth off the coast of Scotland.

In April 2023, Argeo was awarded a contract from the Norwegian Petroleum Directorate for a deep-sea mineral survey in Norway. Contract value is NOK 37 million, with expected duration 8 weeks including mobilisation and demobilisation.

In April 2023, Argeo confirmed contract extension to March 2024 for the Hugin 6000 AUV project announced in March 2022.

Note 20 Going Concern

In accordance with Norwegian accounting legislation, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on estimates and expectations for 2023 and the Group's long-term strategy.

RSM Norge AS

Ruseløkkveien 30, 0251 Oslo
Pb 1312 Vika, 0112 Oslo
Org.nr: 982 316 588 MVA

T +47 23 11 42 00
F +47 23 11 42 01

www.rsmnorge.no

To the General Meeting of Argeo AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Argeo AS showing a profit of NOK 4 339 000 in the financial statements of the parent company and a loss of NOK 76 296 000 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company Argeo AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of Argeo AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 9 May 2023
RSM Norge AS

Anders Nereng
State Authorised Public Accountant
(This document is signed electronically)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Anders Ivar Nereng
Statsautorisert revisor
På vegne av: RSM Norge AS
Serienummer: 9578-5999-4-1194192
IP: 62.249.xxx.xxx
2023-05-09 19:53:23 UTC

Financial calendar 2023

11th May 2023: Q1 2023 Report

24th August 2023: Q2 2023 Report

16th November 2023: Q3 2023 Report

Contacts:

Trond Figenschou Crantz, CEO
Email: trond.crantz@argeo.no
Phone: +47 976 37 273

Argeo is an Offshore Service company with technology to transforming the ocean space survey and inspection industry utilizing autonomous surface and underwater robotics solutions. Equipped with unique sensors and advanced digital imaging technology, the Autonomous Underwater Vehicles ("AUVs") will significantly increase efficiency and imaging quality in addition to contribute to reductions in CO2 emissions from operations for the global industry in which Argeo operates.

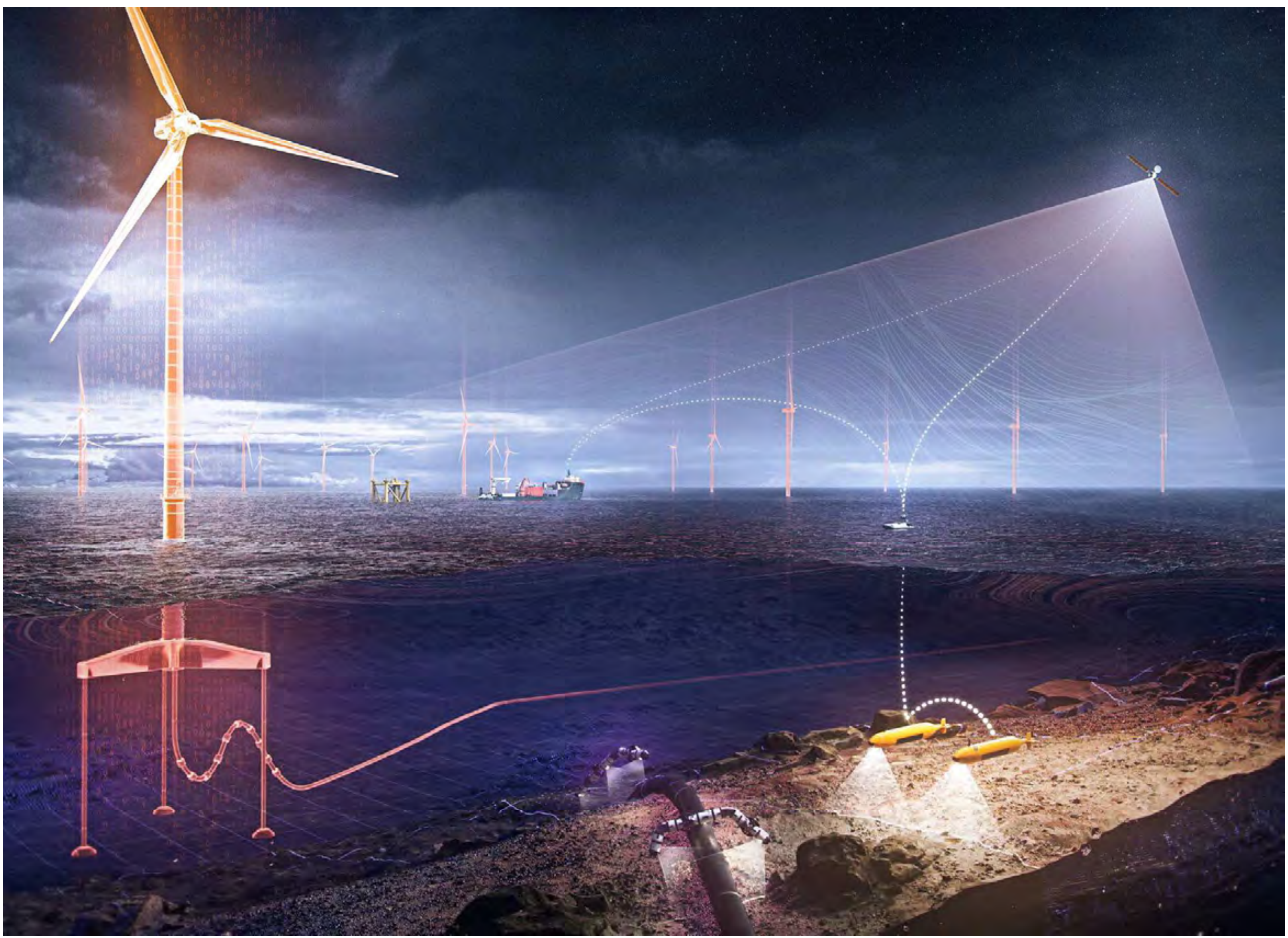
With the recent subsea vessel expansion adding Argeo Searcher to the fleet, Argeo is now offering an independent and complete long endurance solution to our customers. The vessel is well equipped to support IMR operations with Argeo's unique SeaRaptor AUV's and available hangar for several work-class ROV (WROV) systems. Argeo's markets are in Oil & Gas, Renewables, Marine Minerals and Offshore Installations.

www.argeo.no

Annual Report 2021

Argeo

Digitizing the ocean space



Contents

"Prudent ramp-up of activities with several key milestones achieved"

CEO Letter

2021 has been an important year for Argeo in terms of growth and development. 2021 took us to a new level completing many crucial milestones set out in our strategy.

In April 2021 Argeo became listed on the EuroNext Growth stock exchange, raising NOK 175 million through the issue of new shares. This raised both important capital for Argeo's next journey as well as awareness and trust about our services and technology in addition to buy-in from investors in Norway and abroad.

Ramped up our teams

Following the listing we were able to recruit key commercial roles and scale the operational department as well as hiring 3 AUV crews. I am proud to say we have recruited an industry skilled and highly experienced group of people, with great industry knowledge, who are working hard to achieve Argeo's goals, developing our unique technology, creating global and local commercial opportunities, and keeping our operations safe and smooth. By the end of the year Argeo had grown to 35 employees. 2021 was also a year for focusing on HSEQ and to start our journey to become ISO certified. We have implemented a company Integrated Management System covering Health, Safety, Environment and Quality, and is implemented in line with the company's global expansion plan.

Built our base fleet of robotic systems

During 2021 Argeo acquired our first Hugin AUV and ordered two identical deep-water AUVs called SeaRaptor 6000 which are highly mobile with the highest instrumentation specification available in the market today. To service the shallow water market Argeo built our USV, "Argus" making it ready for operations in early 2022. You can read more about our fleet inside this report.
Subsequently, in early 2022, Argeo also secured a brand new Hugin 6000 from Kongsberg, growing our fleet and revenue potential.

Commercial

On the commercial side our services and technology have been successfully presented to clients in the EMEA and the NSA region. We are experiencing strong interest in our target industries and geomarkets. The progress of our commercial expansion is exceeding our original plan developing the North & South America geomarket. Argeo is already established with an office in Houston, focusing on business development for the North America region and the GOM. We are well underway in the process of establishing Argeo in Brazil for the purpose of driving business development, project management and operations there.

Another positive news this quarter was confirmation of our first project in Brazil. Building strong partnerships has been the key focus of our sales team in Brazil and the results shows by converting leads to project tenders. We are continuing to build an increasingly strong pipeline of projects in our O&G and Offshore Wind market verticals enabled by bringing out new business models globally coupled with our technology and operational excellence. These initiatives underpin our plan to build a high-quality data library which we believe will bring long-term revenues over the next years.

Technology & Engineering

During 2021 Argeo has worked hard on building unique in-house abilities to generate valuable data output with Argeo Robotics. For the year, the Argeo Robotics team has submitted 5 patent applications for AUV related technology which consist of both sensor hardware and accompanying data processing techniques. The team has completed our first EM product, the Argeo Listen Cathodic Protection (CP) measurement system for AUV, now ready for integration into our SeaRaptor "Alpha" and planned sea trials in Q1 & 2. This excellent asset integrity tool used for pipeline inspection, electric cable verification and tracking will find its way into the Hugin systems and will be followed by our active EM system Whisper used for inspection and monitoring services in Q3/4 and Discover used for Deep Sea Mineral characterization in Q1-23.

Trond Figenschou Crantz

CEO of Argeo

Main events

Main events 2021

- Acquired the first Hugin system
- Signed strategic cooperation agreement with Multiconsult in January 2021
- NOK 175 million private placement in April 2021
- Listed on Euronext Growth in Oslo in April 2021
- Ordered two SeaRaptor AUV's from Teledyne, secured 50% financing for one of these
- Mobilised Hugin AUV for an O&G electrification project at the west-coast of Norway
- Received a NOK 12 million grant from Innovation Norway and the Norwegian Research Council in September 2021
- In December 2021, awarded a contract for AUV work in Brazil, to commence in 2022
- In December 2021, awarded a contract for ultra-deep-water work, to commence in 2022
- Established offices in Houston and Singapore, and started process to establish one in Rio

Main events 2022

- The Hugin 1000 system moved to Brazil in January to commence operations on reported contract
- First SeaRaptor Alpha delivered in February
- Ordered a new Hugin 6000 AUV system from Kongsberg
- Signed 12-month project for newly purchased Hugin 6000
- In March 2022, awarded a NOK 8.5 million contract from Statens Vegvesen for the SeaRaptor "Alpha"
- Commenced Multi-Client offshore wind project at Utsira Nord
- NOK 75 million private placement in April 2022

Argeo aims to transform the ocean space survey and inspection industry through robotics, sensor, and imaging technology. This is expected to provide an increase in data accuracy, detail, and collection efficiency, as well as a reduced CO_2 footprint by reducing the need for large surface vessels. Argeo's markets are in infrastructure, offshore wind, oil & gas inspection as well as deep-water mineral exploration.

Argeo at a glance

42 EMPLOYEES

3 AUV CREWS

6 ASSETS

Note: Per 31.12.2021 Argeo counted 35 employees, 1 asset and four ordered.

About Argeo

What we do

Argeo aims to transform the ocean space survey and inspection industry through robotics, sensor, and imaging technology. This is expected to provide an increase in data accuracy, detail, and collection efficiency, as well as a reduced CO_2 footprint by reducing the need for large surface vessels. Argeo's markets are in infrastructure, offshore wind, oil & gas inspection as well as deep-water mineral exploration.

Robotics and digital solutions for the ocean space - four attractive key target markets

CABLE INSTALLATION & VERIFICATION

Increase in offshore electrification projects and inter-continental power distribution.

This in turn drives new markets for inspection and maintenance using new and more efficient technologies.

O&G SURVEY & INSPECTION

Rising number of deep-water activities and a clear directive from majors to replace traditional vessel based IMR solutions with robotics and unmanned solutions.

OFFSHORE WIND

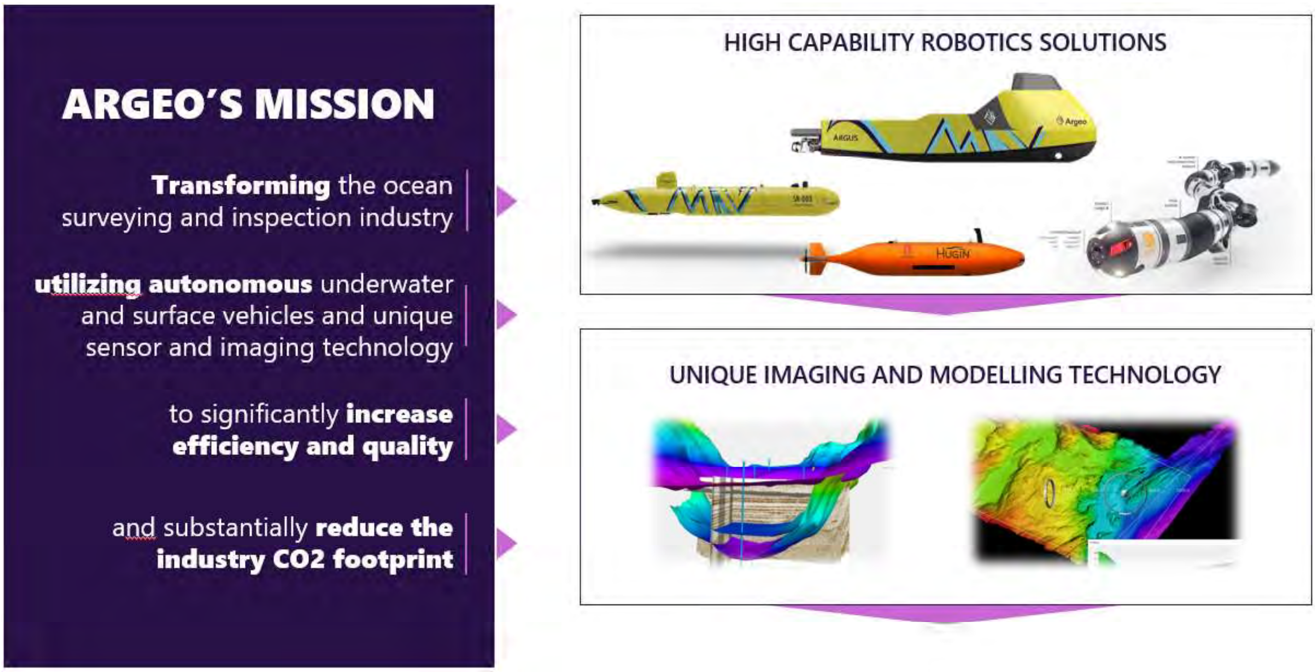
Increase investments in renewable sources of energy and favorable government policies:

DEEP SEA MINERALS

Global demand for batteries and metals for the renewable sector is the main growth driver for this market.

Our mission, concept, and strategy

Argeo's mission is to transform the ocean surveying and inspection industry utilizing autonomous underwater and surface vehicles and unique sensor and imaging technology to significantly increase efficiency and quality, and substantially reduce the industry CO_2 footprint.



Argeo is continuing its strategy of staying close to the customer, driving business development, project management and operations where our clients are based.

Highlights - development & growth

WORKFORCE
X 5,8

accumulated number of employees end of each quarter

3 NEW OFFICES
IN NSA, EMEA & APAC

8 COMMERCIAL
PROJECTS

Two projects in 2021 were delayed
One project in 2021 was deferred due to technology scope creep

Although we expect to pick up one of the delayed projects in Q1-22 it represents lost 2021 revenue of 40 MNOK which we guided at the beginning of the year.

6 NEW VEHICLES
ORDERED

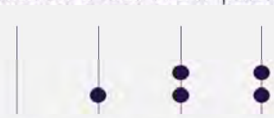
	HUGIN 1000 AUV	SEARAPTOR AUV	SEARAPTOR AUV	ARGUS USV	EELUME AUV	2022 HUGIN 6000 AUV
PLAND TO ACQUIRE						
ORDERED	✓	✓	✓	✓	✓	✓
PLANNED DELIVERY	FEB 21	FEB 22	MAY 22	MAY 22	MAY 22 rental	H2 22
ACTUAL OPERATIONS	MAI 21	MAR 22	MAY 22	MAY 22	TBC	H2 22

NEW
ROBOTIC SOLUTIONS

DATA MODEL SENSOR MODULE	ARGEO LISTEN	ARGEO WHISPER	ARGEO DISCOVER
Q1	Q2	Q3	Q4

IP PATENT
APPLICATIONS SUBMITTED

Argeo applied for a total of 5 IP patents in 2021



Company update

HSEQ

2021 was the year when Argeo's operational focus changed from primarily land based seismic operations to a more marine related survey business, operating AUVs and USVs.

Consequently, the organisation entered a phase of rapid growth and expansion. With the increased exposure to potential hazards and risks it was decided to start on a path towards alignment and eventually certification to the most relevant HSEQ related ISO standards, ISO 9001, 14001 and 45001.

Part of this process includes a full roll out of a new, integrated management system – SIMPLI/QM365 as well as introducing a dedicated HSEQ Management resource into the organisation. The process towards certification is still ongoing, with a defined roadmap to ensure alignment before the end of the year.

Being a "young" company provides us with a few challenges but also a lot of opportunities when it comes to building a sustainable HSE culture. It has all along been a clear focus on employee engagement and contribution when building our management system. An approach like this governs a "to the point" content of our system while also supporting a strong ownership to our HSEQ efforts.

Argeo HSEQ Goals and Objectives

- We strive to achieve zero har to people and an Lost Time Inciden Frequency (LTIF) of zero
- Our focus is to prevent accidents and promote a safety culture where this is achivable
- Our Management system is built upon the principles of continual improvements

Bjørn Jensen
HSEQ Manager
bjorn.jensen@argeo.no

Operations

Argeo's operational team has grown from an initial 1-crew setup consisting of 4 people early 2021 to 3 AUV crews EOY. Through this period Argeo has delivered services for customers within our Construction & Engineering, Oil and Gas verticals, entirely through use of autonomous surface vessels (USV) and autonomous underwater vehicles (AUV) coupled with our unique data processing, modelling, and visualization techniques.

Goals for 2022

Building on the fast growth in 2021 we now look to stabelize operations and expand our services internationally. We have have several key technology systems being delivered early 2022 and the organisation is preparing to successfully commercialize the new AUV's and our USV to bring high quality data for improved decision making for our customers.

- Incident free operations and development of strong QHSE culture onshore and offshore
- Verification and operationalization of new vehicles (AUVs and USV)
- Further recruitment, training and development of field crew and the onshore operations team
- Plan and execute commercial / MC projects according to or better than plan
- Further develop robust and state-of-the-art QA, data handling and processing routines
- Measure performance - with a continuous improvement mindset
- Agile operations able to adapt to different locations and contractual setups world-wide
- Enable and support geo-market growth

Ronny Bøhn
COO
ronny.bohn@argeo.no

Technology

Argeo Technology & Engineering develops proprietary sensor technology, autonomous survey- and inspection technology, as well as digital solutions delivering decision ready data in a digital ocean space solution for our customers. Proprietary technology that provides our customers with needed and required measurements that no one else can deliver with autonomous surface or underwater vehicles gives Argeo a strong competitive edge.

Patents

Argeo submitted 5 patent applications to Patentstyret in 2021 on the topics listed below. During 2022 we expect these patents to be granted and we will soon start to apply for global extensions of these patents. We also expect to submit more patent applications during 2022.

- An acoustic method for steering an Autonomous Underwater Vehicle along a buried object.
- Active EM source implemented on AUV
- An electromagnetic method of tracking an object that is at least partially buried
- A system and method of measuring electric and/or magnetic field of an object
- An electromagnetic measurement system on a flexible underwater inspection/intervention drone
- A method of detection and delineation of an object that is at least partly buried in seabed

Argeo started to improve our Digital Ocean Space solution in 2021. This is a project partially funded by Innovation Norway and the Norwegian Research Council (Skattefunn). The solution will give customers access to their asset survey and inspection data in the cloud through an advanced and flexible 3D visualization and analysis tool. The first version "Argeo Enlight" will be delivered in 2022, and will provide visualization of survey data and other objects. The project will continue in 2023 and be enhanced with "Argeo Introspection" for subsea inspection data analysis and with "Argeo Foresight" for analysis of structures and bathymetry over the lifetime of the subsea assets.

Argeo has successfully developed proprietary technology for measuring Electrical fields "Argeo Listen" in the water column during a mission. This is a crucial technology for enabling AUVs for pipeline inspection as well as positioning buried power cables. Argeo Listen is implemented and tested on our first Searaptor and will be implemented on our other AUVs.

Argeo is currently developing unique and proprietary technologies enabling an CSEM source on AUV: "Argeo Whisper" for detecting unexploded ordnances and buried pipelines and "Argeo Discover" with a high energy source designed for Deep Sea Mineral exploration

Thorbjørn Rekdal
CTO
thorbjorn.rekdal@argeo.no

Commercial

Strong leads built throughout Q4 have materialised into several large tenders in our most important geomarkets and business verticals. In general business and commercial expansion is exceeding expectations.

The trend is larger projects in particular for the South American region. As the company brings in several new high-capacity vehicles we experience project size exceeding previous tenders with some in the range of up to 12 months and others for several years.

Innovating on new business models has been the focus of Argeo from the start, as a result we are the first company bringing in a sustainable Multi Client and Data As a Service business model for the renewable sector.

Outlook

We already see significant growth in activities for the Oil & Gas market with E&P spending rising (17% in 2022) and a good growth in project sanctioning (8% in 2022) undoubtable make O&G our larges vertical and where we experience the largest tender activity.
The renewable sector, in particular the offshore wind market shows clear signs of being the largest growth market in terms of sanctioning for 2022 with several large licencing rounds announced globally, fitting well with Argeo's new MC/DAAS business model and good possibility for us to capitalize on.

Good ramp-up of activities with several key milestones achieved

2017 (Company established) — **2021** — **2022 and onwards**

Developed the company and built a company positioned for growth
Several attractive hires recently – increased the number of employees to 35
Listed on Euronext Growth Oslo in April 2021

Expanded into new geomarkets
Established headquarters in Oslo
Opened regional offices in Houston, Singapore and in process in Rio de Janeiro

Executed the go-to-market strategy and realized projects
Demonstrated Argeo's capabilities and successfully won attractive tenders
Realized 8 projects in 2021 with only 1 AUV in the fleet*

Proactively pursued opportunities for fleet expansion
Acquired 1 and ordered 2 AUVs, 1 USV in 2021 – all operational by Q1–Q3 2022

Dedicated focus on R&D and development of in-house technology
Submitted 5 IP patent applications
Introduced new robotic solutions quarterly – building a competitive edge

2022 and onwards

- SeaRaptor Alpha AUV commercial and on contract end of March 2022
- Argus USV delivered May 2022
- Office in Rio de Janeiro operative May 2022
- SeaRaptor Bravo AUV commercial and on contract May 2022
- Argeo "Listen" sensor system commercial May 2022
- Hugin 6000 AUV commercial and on contract July 2022
- Argeo Digital Ocean Space
- Argeo "Long Range" endurance extender commercial October 2022
- Access to commercial version of Eelume for projects in 2022 and Argeo Eelume ready from January 2023

Trond Crantz
CEO
trond.crantz@argeo.no

Marketing and communications

In H2 2021 Argeo appointed a Marketing & Communications Manager to develop Argeo's brand and take the lead on scaling up Argeo's international marketing efforts. Argeo's marketing mission going forward is to build a strong, global industry presence in Argeo's focus geomarkets.

Growing international reach

In October 2021, Argeo participated in their first international tradeshow, Ocean Business in the UK. Argeo's goal with the exhibition was to extend our international reach in the EMEA region, create awareness about Argeo's offerings and meet with potential clients and partners.

Building a marketing machine

Q4 2021 was the start-up of an on-going effort to create a "marketing machine" fuelling Argeo's commercial team with leads and prospects through automated marketing, targeted content, knowledge sharing and events.

Elisabeth Andenæs
Marketing & Coms. Manager
elisabeth.andenaes@argeo.no

People & Culture

2021 was the build-up year for Argeo in all areas, including HR.

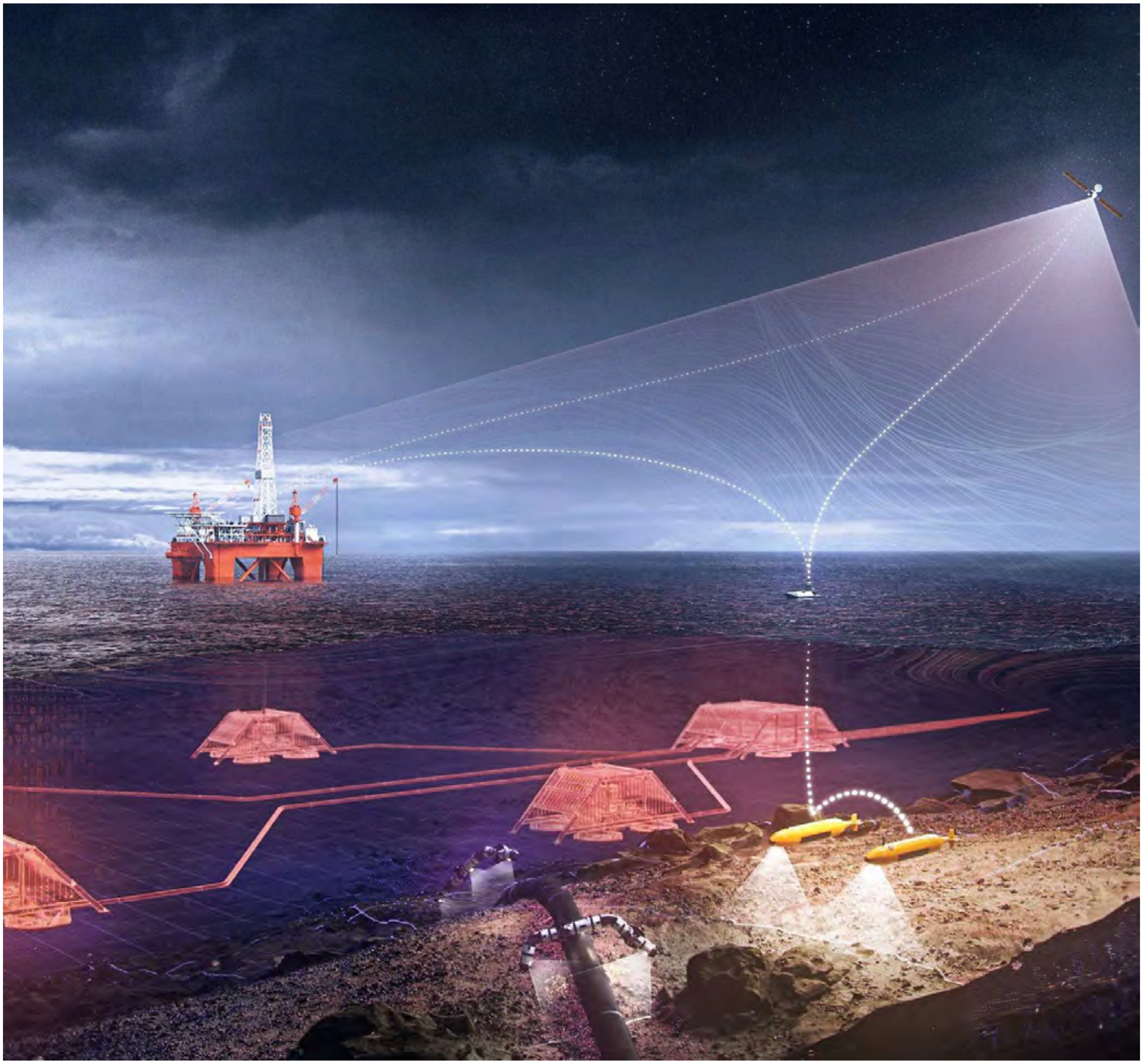
Strong focus on recruitment

In order to gear up for activities, an HR consultant was hired in. The necessary HR processes were kick started for Argeo to be compliant and grow. Recruitment was a focus area resulting in our headcount growing to 24 in Argeo Survey, 6 in Argeo Robotics and 5 based in the newly started Argeo Singapore office.

Building culture

A permanent People & Culture manager was recruited in Q4 with the goal of continuing to improve our HR processes but also to focus on building our culture. Argeo is now concentrating on developing a culture where our employees are motivated and passionate about our mission.

Kari Christiansen
People & Culture Manager
kari.christiansen@argeo.no



Board of Director’s Report

Argeo Group ("Argeo") aims to transform the ocean space survey and inspection industry through robotics, sensor, and imaging technology. This is expected to provide an increase in data accuracy, detail, and collection efficiency, as well as a reduced CO2 footprint by reducing the need for large surface vessels. Argeo's markets are in infrastructure, offshore wind, oil & gas inspection as well as deep-water mineral exploration.

The Company was established in 2017 and is located in Norway with offices in Asker and Tromsø. Argeo has also offices in Houston and Singapore, and an office is under establishment in Brazil.

In April 2021, the Company completed a private placement of NOK 175 million.
Argeo listed on Euronext Growth in Oslo (ticker: ARGEO) on 26 April 2021.

Operations:

In January 2021, Argeo entered into a strategic cooperation with Multiconsult to significantly improve quality marine surveys and increase construction insight of the seabed conditions for large coastal development projects and offshore structures. The two parties also invested in a Hugin AUV.

In February 2021, the Company ordered a SeaRaptor AUV from Teledyne. The Company has also signed a rental agreement with Teledyne, where the latter will rent the AUV for a certain number of days during a three-year period from the date of delivery.

In April 2021, the Company ordered a second SeaRaptor AUV from Teledyne, with 50% of the purchase price to be paid over 8 quarterly instalments after delivery.

Argeo's operational team has grown from an initial 1-crew setup consisting of 4 people early 2021 to 2 AUV crews in the end of 2021. Through this period Argeo has delivered services for customers within our Construction & Engineering, Aquaculture & Oil and Gas verticals, entirely through use of autonomous surface vessels (USV) and autonomous underwater vehicles (AUV) coupled with Argeo's data processing, modelling, and visualization techniques.

Highlighting some examples was the AkerBP NOAKA/KRAFLA electrification project where 2 USV's was used to analyse the seabed conditions for electric cable landfall all the way out to Utsira. The entire cable rout from the 12 nm Norwegian territorial boarder and into and through the Samnangerfjord was mapped and investigated using the Hugin 1000 AUV, passing several topographical and geological obstacles, moored fish farms and difficult to navigate routes.

In December 2021, Argeo signed an agreement for AUV service work in Brazil to commence in Q1 2022. The H1000 system was serviced and prepared at Kongsberg facilities during the latter half of Q4 prior to packing and transit to Rio. The contract is expected to be completed in May 2022.

In December 2021, Argeo signed an agreement for ultra-deep AUV service work to commence in Q2 2022. Duration is estimated to approximately one month.

The Argeo organization has grown from 5 to 35 employees during 2021, preparing for increased activity in 2022 after delivery of the new assets ordered in 2021.

Offices were established in Houston and Singapore during 2021, focusing on business development in these regions.

In September 2021, Argeo received a NOK 12 million grant from Innovation Norway and the Norwegian Research Council for Argeo's "Digital Twin" project. Argeo's Digital Twin solution is a ground-breaking virtual and digital representation of the subsea installations, their space in the ocean and their conditions at all times from planning to decommission as well as a digital simulation of acquiring the data for the digital representation. The representation is made up of 3-dimensional digital visualization of objects and sensor data that directly or indirectly provides information about the physical world.

During 2021, the Argeo Robotics team submitted 5 patent applications for AUV related technology which consist of both sensor hardware and accompanying data processing techniques.

Net income, investments, financing, and liquidity

Revenues for the Group increased from NOK 12.8 million in 2020 to NOK 15.8 million in 2021. Net loss for the Group in 2021 was NOK 18.1, compared to a net profit of NOK 2.0 million in 2020. Net loss for the Group in 2021 is mainly due to a ramp up of the organisation and preparation for the activities in 2022 after delivery of new assets ordered in 2021.

Parent company Argeo AS did not have any revenue in 2021 or 2020. Net income for 2021 was NOK 3.4 million, mainly due to interest income on intercompany loans, and income tax benefit. Net loss for Parent in 2020 was NOK 0.1 million.

Total assets at year-end 2021 for the Group amounted to NOK 167.3 million, compared to NOK 28.0 million at year-end 2020.

Total assets at year-end 2021 for Parent amounted to NOK 170.4 million, compared to NOK 7.0 million at year-end 2020.

The Group invested NOK 3.7 million in property, plant and equipment and NOK 7.1 million in intangible assets in 2021. In addition, Argeo paid NOK 65.2 million in prepayments on assets ordered in 2021 for delivery in 2022. Argeo received Governmental funding from "Skattefunn" (R&D tax incentive scheme) and Innovation Norway amounting to NOK 2.2 million in 2021.

Cash and cash equivalents as of 31 December 2021 for the Group amounts to NOK 65.9 million, compared to NOK 7.8 million on 31 December 2020.

Cash and cash equivalents as of 31 December 2021 for the Parent amounts to NOK 52.6 million, compared to NOK 0.1 million on 31 December 2020.

Equity was NOK 148. 1 million at the end of 2021 for the Group, compared to NOK 6.2 million at the end of 2020.

Equity was NOK 170.3 million at the end of 2021 for the Parent, compared to NOK 7.0 million at the end of 2020.

Net cash from operating activities for the Group in 2021 amounts to minus NOK 97.1 million, compared to NOK 13.6 million in 2020. In 2021, NOK 65.2 million is related to prepayment on assets ordered for delivery in 2022.

Remaining Capex in 2022 for ordered equipment is approximately NOK 91 million. Financing for these assets amounts to NOK 54 million. This includes two SeaRaptors, USV and Eelume.

Outlook

Strong leads in the previous quarter have materialised into several tenders in our most important geomarkets. Some of these are subsequently in final negotiation stage. As the company brings in several new high-capacity vehicles we experience project size exceeding previous tenders with some in the range of up to 12 months and others for several years.

Demand for our services is evident. Our dialogs with major players in important verticals tell us that our solution and how we implement it very attractive which also shows in how leads now evolve into tenders, an indicator of our service offering is welcomed by the market. Argeo experiences an increasing demand over time and expects good demand for our services. As a result, we continue to expand our fleet to meet demand and to deliver on projects. Integration of our unique technology designed and built by Argeo Robotics will make a major impact on our "data that matters" strategy. Coupled with Argeo's Digital Ocean Space platform this will provide our customers with new insights into the current and future state of their ocean space assets.

We see a significant market potential for the Argeo Robotics products where Argeo Survey is not actively pursuing. Examples such as the naval and defence market are obvious, where our products can be used for countermeasures, explosives detection and scouting to name a few. The defence and military market are where the majority of AUV sales has taken place over the last decade and Argeo Robotics will start to explore commercial opportunities for our sensors and software products throughout 2022.

Our USV (Unmanned Surface Vessel) project is going according to plan and will be ready for commercial operations in May 2022 and may later in the year also be equipped with an Eelume Launch & Recovery System (LARS) designed for light intervention and monitoring for the offshore wind and general inspection services market. Marketing of the new USV "Argus" is going well with good interest from clients, in particular for the Offshore Wind market.

Financial risk

Interest rate

The company's debt was in NOK. The company's debt ratio is low, hence low risk.

Foreign currency

The company is exposed to currency fluctuations due to the international nature of its operations. Fluctuations in USD, GBP and EUR constitute a risk, as a significant share of the Company's purchases come from suppliers who invoice in these currencies. Currently, there is no currency hedging.

Credit risk

The risk for losses on receivables is low, however, it can be expected to increase as the company grows. The company has not yet experienced any losses on receivables.

Liquidity risk

Management of liquidity risk is given high priority. The company has ordered assets for delivery in 2022. And in March 2022, Argeo ordered a Hugin 6000 AUV for delivery in H2 2022. In April 2022, Argeo completed a private placement of NOK 75 million. After this placement, Argeo has significant liquid assets (bank deposits) and as such the liquidity risk is deemed to be low.

Going concern

In accordance with Norwegian accounting legislation, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern.

Allocation of net loss and dividends

Argeo Group had a net loss of NOK 18.1 million in 2021. The parent company Argeo AS had a net profit of NOK 3.4 million in 2021. The Board of Directors has proposed the net profit in Argeo AS to be allocated to other equity, and that no dividend is distributed.

The working environment

At year-end 2021, the Argeo Group had 35 employees.

It is the objective of the Company to provide for safe practices in operation and a safe working environment. This objective will be achieved by;

- Maintaining high standards for safety consciousness, personal discipline and individual accountability by adherence to a comprehensive and documented system of training.
- Actively promoting employee participation in measures aimed at improving safety.
- Keeping all personnel informed of any known or potential hazards that may affect themselves and their colleagues.

Leave of absence due to illness in 2021 was 2%. Argeo unfortunately experience one lost time injury (LTI) during 2021. The injured person was contracted personnel and was scheduled to sign of the day after the incident. The injured person has fully recovered and was able to sign on for his next assignment without any further days off from work.

Environment

The Company's operations offshore raise some environmental issues. Argeo places considerable emphasis on prevention of negative environmental impact of their operations. It is the policy of the Company to maintain a safe and pollution-free operating practice that complies with national and international regulations and relevant standards and guidelines. It is the objective of the Company to continuously improve the management skills in relation to environmental protection.

For Argeo, sustainable development goals are an integral part of our philosophy. By replacing traditional vessels with autonomous remote controlled robotics solutions significantly reduce CO2 emissions and by placing inspection robots on resident hibernating in-field subsea platforms the Company will be able to carry out light intervention and inspection remotely from shore, worldwide operations centres. Reducing activity offshore is paramount in the Group's strategy, by providing clients a Solutions-as-a-Service (SaaS) based Digital Twin solution data from our operations will enable better decision making and enable an ocean-space "time-machine" of installation data. In other words, the Company's mission is focused on low-impact, environment friendly operation while at the same time acquiring high quality data supported by digital models providing its customers with high-end project value.

Corporate governance

Argeo considers good corporate governance to be a prerequisite for trustworthiness, value creation, and access to capital. To secure strong and sustainable corporate governance, it is important that Argeo ensures good and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations. The Company is incorporated and registered in Norway and is subject to

Norwegian law. The shares of Argeo are listed on Euronext Growth. As a Norwegian public limited liability company, Argeo must comply with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Euronext Growth, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations. In accordance with the Company's adopted Code of Conduct we strive to operate our business in a way that will provide lasting benefits to all stakeholders, customers, partners, shareholders, employees and suppliers in addition to the communities in which we operate.

Corporate Social Responsibility Statement

In accordance with the company's adopted code of conduct, we strive to conduct our business in a way that facilitates the proper consideration of the working environment, social conditions, human rights, workplace health, safety, diversity, and inclusion.

Subsequent events

Argeo signed in March 2022 an agreement with Kongsberg Maritime for the purchase of a Hugin 6000 AUV for delivery in early H2 2022. At the same time, a 12-month contract was signed for AUV work with this unit, with a minimum guaranteed duration of 6 months, and a 6 month's extension. EBITDA contribution for the contract is USD 4.5m for the full 12 months period.

Argeo signed in March 2022 and agreement with Statens Vegvesen for AUV work with a contract value of NOK 8.5 million.

Argeo completed a private placement of NOK 75 million in April 2021. 15 million new shares were issued at NOK 5 per share.

Insurance for board members and executive management

Argeo has liability insurance for the board and executive management covering any indemnity for financial loss arising from personal managerial liability, including personal liability for the company's debts, arising out of any claim first made against the company.

Statement of the Board and CEO

The Board and CEO have today considered and approved the Director's Report and Annual Financial Statements for Argeo AS as of December 31, 2021 (Annual Report 2021).

To the best of our knowledge:

- The Annual Financial Statements for 2021 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice for small entities in Norway (NRS 8).
- The information in the Annual Financial Statements gives a true and fair view of the assets, liabilities, financial position, and overall results as of December 31, 2021.
- The Director's Report gives a true and fair view of:
  - The development, result and position of the company.
  - The principal risks and uncertainties faced by the company

The Board of Directors and CEO of Argeo AS
Asker, 29th April 2022

Jan P. Grimnes
Chairman

Geir Kaasen
Board Member

Arne Kjørsvik
Board Member

Jim Dåtland
Board Member

Trond F. Crantz
CEO

Argeo AS

Consolidated Income Statement

Amounts in NOK	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
Operating revenues:					
Sales revenue	**3**	15 371 933	11 904 387	0	0
Governmental grants	**3, 4**	470 000	930 000	0	0
Total revenues		**15 841 933**	**12 834 387**	**0**	**0**
Operating expenses:					
Operating Cost		17 439 402	0	0	0
Employee expenses	**5**	22 661 612	3 652 576	770 175	0
Other operating expenses		8 755 430	7 551 750	1 397 219	62 470
Capitalisation of cost		-6 367 084	-1 951 483	0	0
Depreciation	**8, 9**	1 276 144	972 321	0	0
Total operating expenses		**43 765 504**	**10 225 164**	**2 167 394**	**62 470**
Operating profit/(loss)		**-27 923 571**	**2 609 224**	**-2 167 394**	**-62 470**
Financial income and expenses:					
Income/ (loss) equity investments		-471 136	0	0	0
Financial income	**6**	89 449	1 395	2 402 207	1 227
Financial expenses	**6**	-432 934	-106 509	-165 968	0
Net foreign exchange gain (loss)		776 333	7 896	-117	0
Net financial items		**-38 288**	**-97 218**	**2 236 123**	**1 227**
Income/(loss) before income taxes		**-27 961 859**	**2 512 006**	**68 728**	**-61 243**
Income tax expense (benefit)	**7**	9 848 396	-506 495	3 304 465	13 473
Income/(loss) for the year		**-18 113 463**	**2 005 511**	**3 373 193**	**-47 770**

Argeo AS

Consolidated Statement of Financial Position as of 31 December

Amounts in NOK	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
ASSETS					
Non-current assets					
Other intangible assets	**4, 8**	7 647 152	3 570 598	0	0
Deferred tax asset	**7**	10 259 439	339 014	3 406 205	101 740
Property, plant and equipment	**9**	3 964 613	11 564 582	0	0
Shares in associated companies	**17**	5 478 556	0	0	0
Shares in subsidiaries	**16**	0	0	55 676 096	5 676 096
Total non-current assets		**27 349 760**	**15 474 193**	**59 082 301**	**5 777 836**
Current assets					
Trade receivables		6 164 055	4 419 219	0	0
Other receivables	**18**	67 963 861	288 786	58 695 202	1 205 000
Cash and cash equivalents	**14**	65 862 065	7 779 692	52 623 225	54 092
Total current assets		**139 989 981**	**12 487 697**	**111 318 428**	**1 259 092**
Total assets		**167 339 740**	**27 961 890**	**170 400 728**	**7 036 928**
EQUITY					
Share capital	**10**	2 744 146	610 000	2 744 146	610 000
Additional paid-in capital		164 557 508	6 780 680	164 557 508	6 780 680
Other equity		-19 251 036	-1 187 574	3 026 429	-346 763
Total equity	**11**	**148 050 618**	**6 203 106**	**170 328 084**	**7 043 917**
LIABILITIES					
Non-current liabilities					
Long term debt	**13**	5 933 333	6 693 333	0	0
Total non-current liabilities		**5 933 333**	**6 693 333**	**0**	**0**
Current liabilities					
Trade payables		6 287 642	12 345 080	24 423	-6 989
Taxes payable	**7**	100 322	0	0	0
Public taxes		1 878 704	0	48 221	0
Other current liabilities		5 089 122	2 720 371	0	0
Total current liabilities		**13 355 790**	**15 065 451**	**72 644**	**-6 989**
Total liabilities		**19 289 123**	**21 758 784**	**72 644**	**-6 989**
Total equity and liabilities		**167 339 740**	**27 961 890**	**170 400 728**	**7 036 928**

The Board of Directors and CEO of Argeo AS
Asker, 29th April 2022

Jan P. Grimnes
Chairman

Geir Kaasen
Board Member

Arne Kjørsvik
Board Member

Jim Dåtland
Board Member

Trond Figenschou Crantz

Trond F. Crantz
CEO

Argeo AS

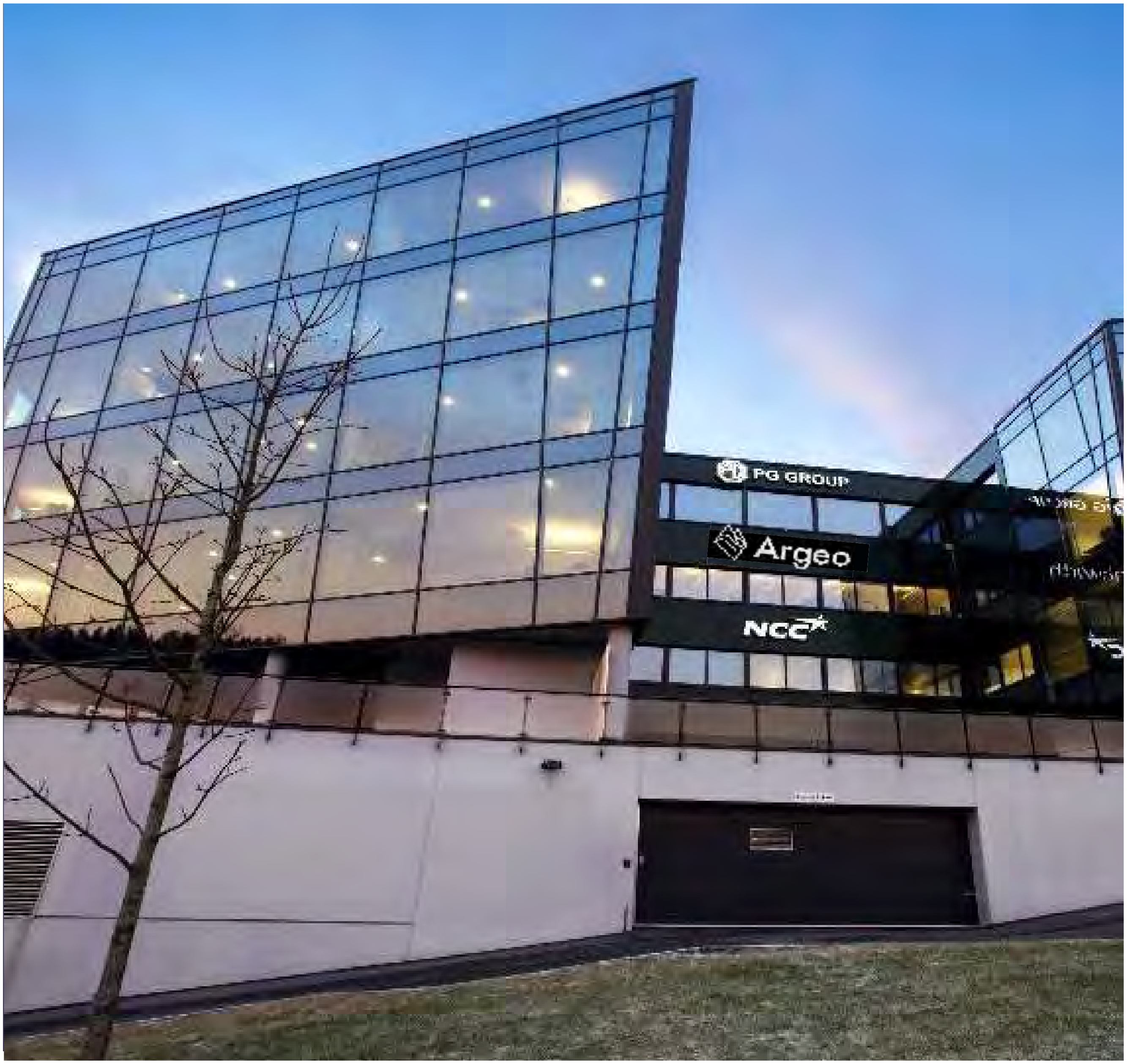
Consolidated statement of changes in equity

Amounts in NOK	Share capital	Additional paid-in capital	Accumulated earnings	Total equity
Balance as of 1.1.2021	**610 000**	**6 780 680**	**-1 187 574**	**6 203 106**
Profit/(loss) for the period	0	0	-18 113 463	-18 113 463
Effect of establish associated company	0	0	50 000	50 000
Net proceeds from new equity	2 134 146	157 776 828	0	159 910 974
Balance as of 31.12.2021	**2 744 146**	**164 557 508**	**-19 251 036**	**148 050 618**
Balance as of 1.1.2020	**610 000**	**6 780 680**	**-3 193 084**	**4 197 596**
Profit/(loss) for the period	0	0	2 005 511	2 005 511
Balance as of 31.12.2020	**610 000**	**6 780 680**	**-1 187 574**	**6 203 106**

Argeo AS

Consolidated statement of cash flow

Amounts in NOK	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
Cash flow from operating activities					
Profit/(loss) before tax		-27 961 859	2 512 006	68 728	-61 243
Depreciation	**8, 9**	1 276 144	972 321	0	0
Financial income	**6**	-89 449	-1 395	2 402 207	1 227
Financial expense	**6**	432 934	106 509	-165 968	0
Gain/Loss equity investments		471 136	0	0	0
Change in current assets		-69 419 911	-4 312 009	-57 490 202	-861 117
Change current liabilities		-1 809 979	14 345 865	79 633	-10 612
Net cash from operating activities		**-97 100 984**	**13 623 297**	**-55 105 601**	**-931 745**
Cash flow from investing activities					
Investment in property, plant and equipment	**2**	-3 687 020	-11 071 483	0	0
Capitalisation of development cost	**8**	-4 903 211	-1 951 483	0	
Investment in subsidiary		0	0	-50 000 000	0
Net investment in associated companies		-5 871 402	0	0	0
Sale AUV to associated company	**9**	10 837 500	0	0	0
Net cash from investing activities		**-3 624 132**	**-13 022 966**	**-50 000 000**	**0**
Cash flow from financing activities					
Net proceeds from new equity	**11**	159 910 974	0	159 910 974	0
Proceeds from interest-bearing debt	**13**	0	6 000 000	0	0
Repayment of interest-bearing debt	**13**	-760 000	-106 667	0	0
Financial income	**6**	89 449	1 395	-2 402 207	-1 227
Financial expense	**6**	-432 934	-106 509	165 968	0
Net cash flow from financial activities		**158 807 489**	**5 788 219**	**157 674 734**	**-1 227**
Net change in cash and cash equivalents		58 082 373	6 388 550	52 569 133	-932 972
Cash and cash equivalents begin. of period		7 779 692	1 391 142	54 092	987 064
Cash and cash equivalents end of the period		**65 862 065**	**7 779 692**	**52 623 225**	**54 092**



Notes

Notes to the consolidated financial statements

Note 1. Introduction

Argeo AS and its subsidiaries (the “Group”, “the Company”, or “Argeo”) offers services and technical solutions to the surveying and inspection industry. Argeo is a publicly listed company on the Euronext Growth, with ticker symbol ARGEO and was admitted to trading on Euronext Growth 26 April 2021.

The Company is a limited liability incorporated and domiciled in Norway. The address of its registered office is Nye Vakåsvei 14, 1395 Hvalstad.

These financial statements have been approved by the Board of Directors and the Chief Executive Officer on 29 April 2022.

Note 2. Summary of significant accounting policies

2.1 Basis for preparation
The Financial Statements with accompanying notes have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles for smaller companies.

The financial statements have been prepared on the going concern basis.

2.2 Basis of consolidation
The Group’s consolidated financial statements comprise Argeo AS and companies in which Argeo has a controlling interest. A controlling interest is normally attained when the Group owns, either directly or indirectly, more than 50% of the shares in the company and is capable of exercising control. There are no minority interests.

The acquisition method is applied when accounting for business combinations. Companies which have been bought or sold during the year are consolidated from or until the date on which control is acquired or lost.

Inter-company transactions and balances are eliminated in full in the consolidated financial statement.

The consolidated financial statements are prepared based on the assumption of uniform accounting policies for identical transactions and other events under equal circumstances.

2.3 Current versus non-current classification
Current assets and liabilities comprise items receivable/due within one year and items related to the inventory cycle assets are valued at the lower of cost and fair value.

2.4 Cash and cash equivalents
Cash includes cash at hand and bank. Cash equivalents are short-term liquid investments that can be readily converted into a known amount of cash and are considered to have insignificant risk elements.

2.5 Trade receivables
Trade receivables are carried at historical cost. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flow is recognized as a loss.

2.6 Governmental grants
Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as revenue over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recorded as a reduction of the asset up to the amount that covers the cost price.

2.7 Property, plant and equipment
Non-current assets are carried at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are derecognized, and any gain or loss on the sale or disposal is recognized in the income statement.

The gross carrying amount of non-current assets is the purchase price, including duties/taxes and direct acquisition costs relating to making the non-current asset ready for use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method over the following periods:

Field equipment	3-7 years
Fixtures, furniture, fittings and office computers	3 years

For field equipment, 3-5 years is used for in-water items, and 7 years for all other equipment.

The depreciation period and method are assessed each year to ensure that the method and period used are in line with the useful life of the non-current asset. The same applies to the scrap value.

Equipment under construction is classified as non-current assets and recognized at the costs incurred in relation to the construction. Equipment under construction is not depreciated until the non-current asset is ready for use.

2.8 Subsidiaries
Investments in subsidiaries are valued at cost in the company accounts. The investments are valued at cost less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. Investments in associated companies are valued using equity.

2.9 Intangible assets
Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development cost can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred. Capitalised development is amortized linearly over the economic lifetime. Licenses are depreciated over 10 years.

2.10 Operating leases
Leases for which most of the risk and control rests with the other contracting party are classified as operating leases. Lease payments are classified as operating costs and recognized in the income statement over the contract period.

2.11 Provisions

Provisions are recognized when, and only when, the Group has a valid liability (legal or constructive) as a result of events that have taken place and it can be proven probable (more probable than not) that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value for the future payments to cover the liability.

Contingent liabilities acquired upon the purchase of operations are recognized at fair value even if the liability is not probable. The assessment of probability and fair value is subject to a quarterly review. Changes in the fair value are recognized in the income statement.

2.12 Equity

Financial instruments are classified as liabilities or equity in accordance with the underlying financial reality. Share capital issued is recognised at the fair value of the cash, or other consideration received. The nominal value of the shares is credited to share capital and the remaining balance is taken to share premium.

Transaction costs relating to an equity transaction are recognized directly in equity. Only transaction cost directly linked to the equity transaction are recognized directly in equity.

2.13 Revenue

The Group recognises revenue when persuasive evidence of a sale arrangement exists, delivery has occurred or services have been rendered, the sales price is fixed or determinable and collection is reasonably assured. The Group defers the unearned component of payments received from customers for which the revenue recognition requirements have not been met.

Revenues from construction contracts are recognised according to the project’s stage of completion, provided the outcome of the project can be estimated reliably. When the outcome of the project cannot be estimated reliably, only revenues equal to the project costs that have been incurred are recognise. The total estimated loss on a contract will be recognised in the income statement when the loss has been identified. The stage of completion is calculated as accrued production cost in relation to expected total production costs. Expected total production costs are estimated based on a combination of experience of numbers, systematic estimation procedures, follow-up of performance measurements and follow up of efficiency measurements and best estimates.

2.14 Employee benefits

Defined contribution pensions

The Group has made contributions to local pension plans. These contributions have been made for all employees. The Group’s payments are recognised in the income statement in the period to which the contribution applies. The Group has no further obligations once the contributions have been made.

2.15 Taxation

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax assets or liabilities are calculated with 22% on all taxable temporary differences as per 31.12.21.

2.16 Foreign currency

Currency transactions are translated at the rate applicable on the transaction date. Foreign exchange gain/ losses that arise as a result of changes in the exchange rate between the transaction date and the payment date are recognised in the income statement. At the balance sheet date balances not being reflected in NOK are translated to NOK at the rate of exchange applicable on the balance sheet date.

2.17 Significant accounting judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Note 3. Sales revenue

	Group 2021	Group 2020	Parent 2021	Parent 2020
External revenue	15 371 933	11 904 387	0	0
Governmental grants	470 000	930 000	0	0
Total	**15 841 933**	**12 834 387**	0	0

Note 4. Governmental grants

The Group received Governmental grants amounting to NOK 2 668 395 in 2021. 470 000 was booked as income, 2 198 395 was booked as reduction in other intangible assets.

Note 5. Employee expenses, number of employees and remuneration to auditor

Employee expenses:	Group 2021	Group 2020	Parent 2021	Parent 2020
Salaries	19 002 741	3 164 935	675 000	0
Payroll tax	2 193 790	403 593	95 175	0
Pension	1 005 685	66 246	0	0
Other payments	459 396	17 802	0	0
Total	**22 661 612**	**3 652 576**	**770 175**	**0**

The Group had 35 employees at year-end 2021. The Group is obliged to offer its employees an occupational pension scheme according to Norwegian law. The Group has a defined contribution plan for all its employees which fulfil all governmental requirements. The amount per employee in 2021 was 5% of ordinary salary up to 7.1G, and 9.1% of ordinary salary between 7.1 and 12G.

Compensation to auditors:	Group 2021	Group 2020	Parent 2021	Parent 2020
Statutory work	145 762	69 984	62 525	25 000
Oher assurance services	45 104	10 838	16 304	0
Total	**190 866**	**80 822**	**78 829**	**25 000**

Note 6. Financial income and expenses

Financial income:	Group 2021	Group 2020	Parent 2021	Parent 2020
Interest income	89 449	1 395	2 402 207	1 227
Other financial income	0	0	0	0
Total	**89 449**	**1 395**	**2 402 207**	**1 227**

Financial expenses:	Group 2021	Group 2020	Parent 2021	Parent 2020
Interest expense	265 715	76 515	0	0
Other financial expense	167 219	29 994	165 968	0
Total	**432 934**	**106 509**	**165 968**	**0**

Note 7. Income tax

Income tax expense:	Group 2021	Group 2020	Parent 2021	Parent 2020
Taxes payable	100 322	0	0	0
Effect of establish associated company	-28 292	0	0	0
Change in deferred tax	-9 920 425	506 495	-3 304 465	-13 473
Total income tax expense	**-9 848 395**	**506 495**	**-3 304 465**	**-13 473**

Calculation of tax basis:	2021	2020	2021	2020
Result before tax	-27 961 859	2 512 006	68 728	-61 243
Permanent differences	-16 733 800	-64 537	-15 089 022	0
Change in temporary differences	45 151 668	-2 447 469	15 020 294	61 243
Total tax basis	**456 010**	**0**	**0**	**0**
Taxes payable 22%	**100 322**	**0**	**0**	**0**

Temporary differences:	2021	2020	2021	2020
Fixed assets	-1 948 316	-123 224	0	0
Financial assets	-3 469 796	0	0	0
Losses to be carried forward	-41 200 451	-1 488 752	-15 482 750	-462 456
Total temporary differences	**-46 618 563**	**-1 611 976**	**-15 482 750**	**-462 456**
Deferred tax benefit	**-10 259 439**	**-354 635**	**-3 406 205**	**-101 740**
Deferred tax benefit not recognized in balance sheet	0	15 621	0	0
Deferred tax benefit recognized in balance sheet	**-10 259 439**	**-339 014**	**-3 406 205**	**-101 740**

There is no expiry on losses carried forward.

Note 8. Other intangible assets

	Group 2021	Group 2020	Parent 2021	Parent 2020
Cost as of 1 January	4 133 307	2 181 824	0	0
Additions	7 101 606	1 951 483	0	0
Governmental grants	-2 198 395	0	0	0
Cost as of 31 December	9 036 518	4 133 307	0	0
Accumulated depreciation as of 1 January	562 709	0	0	0
Depreciation	826 656	562 709	0	0
Accumulated depreciation as of 31 December	1 389 365	562 709	0	0
Net book value at 31 December	**7 647 154**	**3 570 599**	**0**	**0**

Intangible assets consist of capitalised cost related to development of a 3D Geological modelling system, Argeo's "Digital Twin", and various sensor solutions. Depreciation of the 3D Geological modelling system started in 2020 and is taken over 5 years.

Note 9. Property, plant and equipment

	Group 2021	Group 2020	Parent 2021	Parent 2020
Cost as of 1 January	12 546 109	1 474 627	0	0
Additions	3 687 020	11 071 482	0	0
Sale AUV to associated company	-10 837 500	0	0	0
Cost as of 31 December	5 395 629	12 546 109	0	0
Accumulated depreciation as of 1 January	981 528	571 916	0	0
Depreciation	449 488	409 612	0	0
Accumulated depreciation as of 31 December	1 431 016	981 528	0	0
Net book value at 31 December	**3 964 613**	**11 564 581**	**0**	**0**

Additions in 2020 includes the purchase of one Hugin AUV, which was transferred to a joint owned company (50/50) with Multiconsult in January 2021.

Additions in 2021 and net book value on 31 December 2021 includes mainly investment in equipment for operations and office equipment.

Expected useful life is 3 years for office equipment and 3-7 years for field equipment.

Note 10 Share capital and shareholders information

As of 31 December 2021, the Company had a share capital of NOK 2 744 146 divided on a total of 27 441 463 shares. The face value of each share is NOK 0.1. All shares have equal voting rights.

Top 20 shareholders at 31.12.2021:

Shareholder	Shares	Ownership
SPAREBANK 1 MARKETS AS	2 654 403	9,7%
LANGEBRU AS	2 500 000	9,1%
ASCENT AS	2 067 898	7,5%
TROPTIMA AS	1 770 968	6,5%
KISTEFOS AS	1 768 292	6,4%
DNB BANK ASA	1 730 000	6,3%
Performa Consulting AS	1 630 968	5,9%
REDBACK AS	1 469 512	5,4%
PRO AS	1 280 487	4,7%
NORDNET LIVSFORSIKRING AS	749 288	2,7%
Nordnet Bank AB	684 577	2,5%
EKS AS	600 000	2,2%
LINDVARD INVEST AS	470 021	1,7%
SIRIUS AS	425 000	1,5%
WOLFF	365 620	1,3%
MP PENSJON PK	349 000	1,3%
Avanza Bank AB	331 455	1,2%
EMGANI AS	302 439	1,1%
STAVANGER KAPITALFORVALTNING AS	292 683	1,1%
SILVERCOIN INDUSTRIES AS	292 683	1,1%
Total top 20	21 735 294	79,2%
Other	5 706 169	20,8%
Total	**27 441 463**	**100,0%**

Note 11 Equity

Group	Issued capital	Additional paid-in capital	Other equity	Total Equity
On 1 January 2021	610 000	6 780 680	-1 187 574	6 203 106
Profit/(loss) for the year	0	0	-18 113 463	-18 113 463
Effect of establish JV	0	0	50 000	50 000
Net proceeds from new equity	2 134 146	157 776 828	0	159 910 974
At 31 December 2021	**2 744 146**	**164 557 508**	**-19 251 036**	**148 050 618**

Parent	Issued capital	Additional paid-in capital	Other equity	Total Equity
At 1 January 2021	610 000	6 780 680	-346 764	7 043 916
Profit/(loss) for the year	0	0	3 373 193	3 373 193
Net proceeds from new equity	2 134 146	157 776 828	0	159 910 974
At 31 December 2021	**2 744 146**	**164 557 508**	**3 026 429**	**170 328 084**

The Company issued in April 2021 21 341 463 new shares at NOK 8.20 per share. Net proceeds were NOK 159 910 974.

Authorisations/ warrants:
The Company issued in December 2020 624 772 warrants (Tranche 1 Warrants), which replaced earlier authorisations to issue new shares under its share option program. The warrants may be exercised in relation to the Company's option program and are valid until December 2025. As of 31 December 2021, no warrants had been exercised.

3 750 000 new warrants (Tranche 2 Warrants) were issued in April 2020 to existing shareholders of the Company before the private placement. A total of 1,875,000 Tranche 2 Warrants can be exercised at NOK 0.10 given a demonstrated share market price appreciation of two times the Subscription Price within the

next two years and the remaining 1,875,000 Tranche 2 Warrants can be exercised at NOK 0.10 given a demonstrated share market price appreciation of three times the Subscription Price within a period of 4 years.

The Company's general meeting gave in December 2021 an authorisation to increase the Company's share capital with up to NOK 182 324.40, equal to an issuance of up to 1 823 244 new shares. The authorisation can be used to issue new shares in relation to the Company's option program. The authorisation is valid until 2 December 2023. As of 31 December 2021, there had not been issued any shares from this authorisation.

The Company's general meeting gave in December 2021 an authorisation to increase the Company's share capital with up to NOK 274 414.60, equal to an issuance of up to 2 744 146 new shares. The authorisation can be used in connection with acquisitions, mergers, investments or similar transactions, or for the purpose of strengthening the Company's financial position. As of 31 December 2021, there had not been issued any shares from this authorisation.

Note 12 Share-based payments

In 2019 the Company established a share option programme that entitles key management personnel and members of the board to purchase shares in the Company.

In December 2020, 624 772 outstanding options were replaced by warrants. The warrants have an average strike price of NOK 1.46 and are all fully vested. Expiry is at various intervals from 10 February 2024 to 23 December 2025.

In 2021, 995,000 share-options were granted to board members and employees. The grants have a strike price of NOK 8.20. The options will vest over 3 years and mature after 5 years.

2021:	
As of 1 January 2021	624 772
Granted during the year	995 000
As of 31 December 2021	**1 619 772**
2020:	
As of 1 January 2020	574 772
Granted during the year	50 000
As of 31 December 2020	**624 772**

Share options at the end of 2021 have the following expiry date and exercise prices:

Expiry date	Excercise price	Options
10.2.2024	20,000	6 000
10.2.2024	0,282	538 772
1.7.24	20,000	18 000
10.2.25	20,000	6 000
7.9.25	0,830	50 000
23.12.25	20,000	6 000
16.4.26	8,200	450 000
16.12.26	8,200	545 000
		1 619 772

624 772 of outstanding options at the end of 2021 are exercisable.

Note 13 Long term debt

Group	Nominal rate of interest	Booked value 2021	Booked value 2020
NOK 0.8 million loan	4,95 %	533 333	693 333
NOK 6 million loan	3.95%	5 400 000	6 000 000
Total long term debt		**5 933 333**	**6 693 333**

The Group secured in 2019 a NOK 0.8 million loan from Innovasjon Norge, bearing an interest at 4.95%. The loan is secured with machinery and plant in Argeo Survey AS, and is repaid over 6 years.

The Group secured in 2020 a NOK 6 million loan from Innovasjon Norge, bearing an interest at 3.95%. The loan is secured with machinery and plant in Argeo Survey AS, in the shares owned by Argeo Survey in its 50% ownership in H1000 JV AS, and by a parent guarantee from Argeo AS. The loan is repaid over 5.5 years with a 6 month's grace period.

Note 14 Restricted cash

	Group 2021	Group 2020	Parent 2021	Parent 2020
Withholding taxes included in cash and cash equivalents	1 936 546	188 037	155 250	0

Note 15 Related parties

Group and Parent

Shares and options held by members of the Board and CEO, as of 31 December:

		Shares		Share options / warrants	
Name		**2021**	**2020**	**2021**	**2020**
Trond F. Crantz [1)]	CEO	2 067 898	2 067 898	1 549 924	278 675
Jan P. Grimnes [2)]	Chairman	1 469 512	0	223 689	0
Geir Kaasen [3)]	Board member	109 662	109 662	187 415	50 000
Ann-Christin Andersen	Board member	0	0	70 000	0
Jim Dåtland	Board member	0	0	70 000	0
Arne Kjørsvik	Board member	0	0	70 000	0
Total		**3 647 072**	**2 177 560**	**2 101 028**	**328 675**

1) Trond F. Crantz is owner of Ascent AS.

2) Jan P. Grimnes is Chairman in Redback AS. He is, together with closely relatives, majority shareholder in Redback AS.

3) Geir Kaasen is owner of Eurovest AS.

Note 16 Investment in subsidiaries

Details of the subsidiaries which have been consolidated in the group financial statements on 31 December 2021 are as follows:

Subsidiaries	Jurisdiction	Cost price	Shares / Voting rights	Establishment/ Acquisition	Result 2021	Equity 2021
Argeo Survey AS	Norway	55 646 096	100 %	May 2014	-20 863 874	34 045 587
Argeo Robotics AS	Norway	30 000	100 %	July 2019	56 137	82 269

There are no non-controlling interests in the group.

Note 17 Investment in associated companies

Subsidiaries	Jurisdiction	Cost price	Shares / Voting rights	Establishment/ Acquisition	Result 2021	Equity 2021
H1000 JV AS [1)]	Norway	6 000 000	50 %	December 2020	-471 136	5 478 556

[1)] H1000 JV AS is 50% owned by Argeo Survey AS
Associated companies are recorded using equity method

Note 18 Other receivables

Includes prepayment of NOK 65.2 million related to purchase of SeaRaptor AUV's and USV to be delivered in 2022.

Note 19 Subsequent events

Argeo signed in March 2022 an agreement with Kongsberg Maritime for the purchase of a Hugin 6000 AUV for delivery in early H2 2022. At the same time, a 12-month contract was signed for AUV work with this unit, with a minimum guaranteed duration of 6 months, and a 6 months extension. EBITDA contribution for the contract is USD 4.5m for the full 12 months period.

Argeo signed in March 2022 and agreement with Statens Vegvesen for AUV work with a contract value of NOK 8.5 million.

Argeo completed a private placement of NOK 75 million in April 2021. 15 million new shares were issued at NOK 5 per share.

RSM Norge AS

Ruseløkkveien 30, 0251 Oslo
Pb 1312 Vika, 0112 Oslo
Org.nr: 982 316 588 MVA

T +47 23 11 42 00
F +47 23 11 42 01

www.rsmnorge.no

To the General Meeting of Argeo AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Argeo AS showing a profit of NOK 3 373 193 in the financial statements of the parent company and a loss of NOK 18 113 463 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Argeo AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Argeo AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

Oslo, 29 April 2022
RSM Norge AS

Anders Nereng
State Authorised Public Accountant
(This document is signed electronically)

Anders Ivar Nereng
Statsautorisert revisor
På vegne av: RSM Norge AS
Serienummer: 9578-5999-4-1194192
IP: 188.95.xxx.xxx
2022-04-29 13:43:48 UTC

bankID

Financial calendar 2022

19th May 2022: Q1 2022 Report

18th August 2022: Q2 2022 Report

10th November 2022: Q3 2022 Report

Contacts:

Trond Figenschou Crantz, CEO
Email: trond.crantz@argeo.no
Phone: +47 976 37 273

Argeo is a company with a mission to transform the ocean surveying and inspection industry by utilizing autonomous surface and underwater robotics solutions. Equipped with unique sensors and advanced digital imaging technology, the Autonomous Underwater Vehicles ("AUVs") will significantly increase efficiency and imaging quality in addition to contribute to significant reduction in CO2 emissions from operations for the global industry in which the Company operates.

The Company's highly accurate digital models and digital twin solutions are based on geophysical, hydrographic, and geological methods from shallow waters to the deepest oceans for the market segments Infrastructure, Offshore Wind, Oil & Gas and Deep-Sea Minerals. Argeo was established in 2017 and has offices in offices in Asker (Oslo), Tromsø, Stockholm, Houston, and Singapore. Since its incorporation, Argeo has carried out complex projects for some of Norway's largest companies in the field.

www.argeo.no

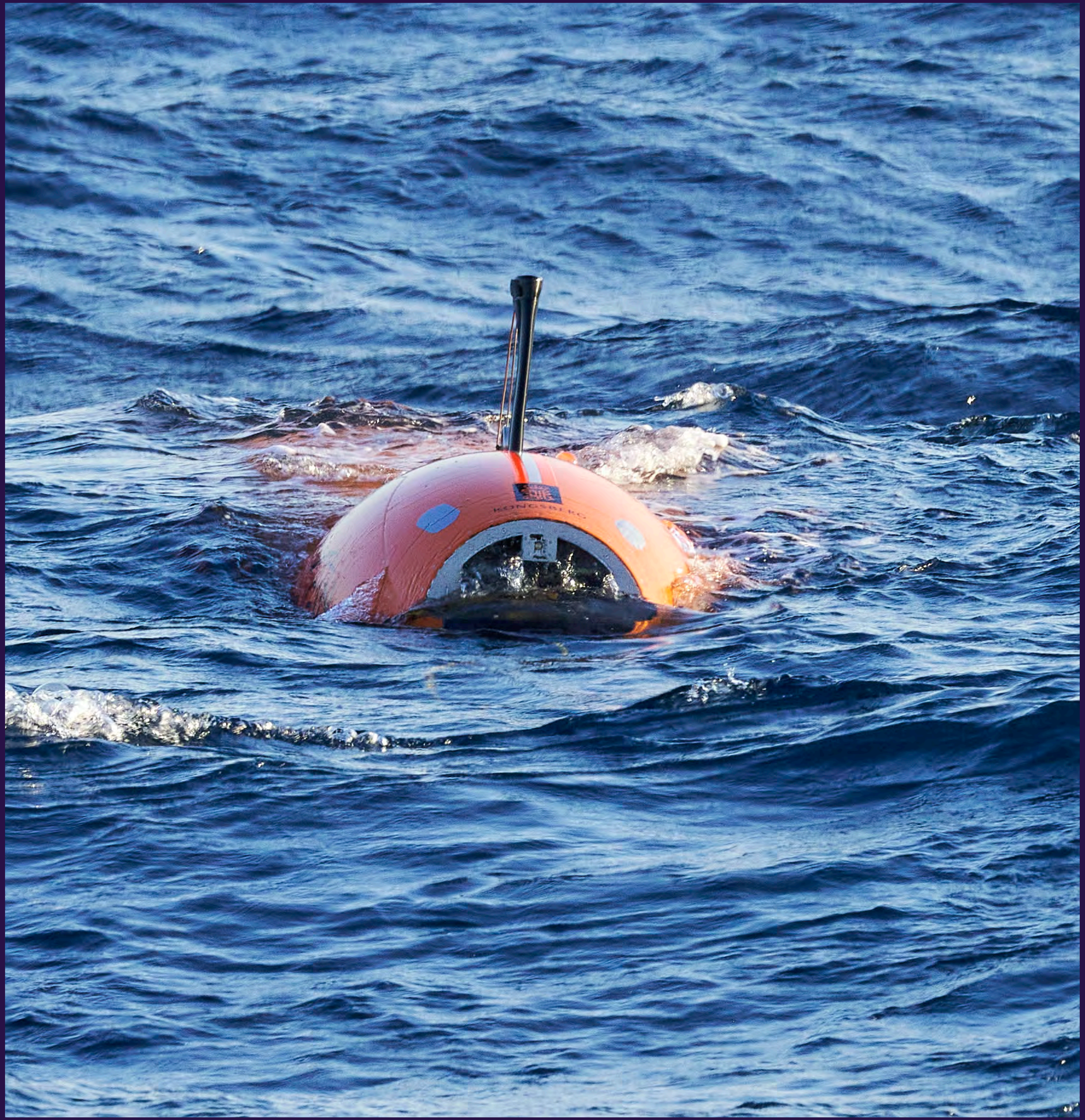
APPENDIX C:

The Group's consolidated interim financial statements for the six-month period ended 30 June 2024

Argeo

Q2 Report

2024



Contents

CEO LETTER

CEO LETTER

I am very pleased to present our second quarter results for 2024, which demonstrate continuous growth and significant YoY increase for all key financials:

Key Q2 2024 financial highlights include:

All amounts in USD 1.000

Revenue:	15 664, up from 1 379 and YOY increase of 1034%
EBITDA:	4 217, up from -1 574 and YOY increase of 368%
EBIT:	1 638, up from -2 708 and YOY increase of 160%
Net loss:	-911, up from -2 658 and YOY improvement of 66%
Backlog:	USD 45 million

(Note: Figures are in accordance with IFRS accounting principles.)

The start of the quarter included focusing on the departure of Argeo Venture from Norway and the upcoming mobilization for TotalEnergies and their Nambia Venus project. Production commenced medio May and has since shown good performance. Argeo Searcher completed the majority of the project for the National Centre for Polar and Ocean Research (NCPOR) (80%) but had to leave early for the required intermediate yard inspection and subsequently mobilizing for Woodside and their Calypso project and in Trinidad & Tobago. The remaining 20% can optionally be completed in Q4'24 or Q1'25. End of the quarter we mobilized the upgraded Hugin 6000 containerized system on to the Ocean Guardian for RWE Canopy project offshore California. Production for both Argeo Searcher and Ocean Guardian commenced in Q3'24.

Looking ahead to Q3, we will have three operational vessel spreads working across two continents and serving three major clients in both the O&G and the Renewables sector. As a result, we expect a significant increase in all our key financial figures.

Backlog

Total firm Backlog from tenders in H1-2024 ended at USD 71 million. Produced revenues from this backlog in H1'24 was USD 25 million (Q2'24 USD 16 million), remaining firm backlog for H2 currently stand at USD 45 million.

Health, Safety, Environment & Quality

HSEQ management is important for Argeo and being responsible is part of our core values. I'm very pleased to report that Argeo 's professionalism and strong industry experience with continued focus on HSEQ performance has had a major positive impact on our business and this effort is recognized by our clients in all three verticals. Through H1-2024 we have completed significant operational and organisational growth both onshore and offshore. The entire team has shown dedication and focus, reaching, and in some areas, exceeding our corporate HSEQ KPI targets. Achieving a TRIF of 1.1 with zero LTIs over 18,000 exposure hours underscores our solid commitment to safety. This performance highlights our dedication to maintaining a safe working environment.

Innovation & Technology

On the technical side, the new Hugin fleet has performed exceptionally well with good performance numbers and very good production rates. This is now proven to be a reliable acquisition platform that meets our customers' expectations. Additionally, further improvement to our turnkey data delivery platform enables us to provide near-on-demand product delivery, significantly enhancing customer satisfaction from well executed

Trond E Figenschou Crantz

Trond E. Figenschou Crantz
CEO

Financial Higlights

USD 15.7
Revenue Q2 2024
+1037% YoY

A good first quarter with revenues up from USD 1.4 in Q2 2023

USD 4.2
EBITDA Q2 2024
+368% YoY

EBITDA up from USD -1.6 in Q2 2023

USD 1.6
EBIT Q2 2024
+160% YoY

EBIT up from USD -2.7 in Q2 2023

USD -0.9
Net Loss Q2 2024
+66% YoY

Improvement from USD -2.6 in Q2 2023

USD 45 million
Backlog Q2 2024
+275% Since Q2 2023

During H1 2024 we have converted USD 71 million in backlog from won tenders. Of this, we have produced USD 25 million (USD 16 in Q2'24). Remaining backlog at the end of Q2 now totals USD 45 million.

Main Events

Main events Q2 2024

- Argeo awarded substantial contract with Woodside Energy for Calypso AUV survey
- Argeo awarded substantial contract with RWE for Canopy offshore wind project
- Subsequent offering completed raising NOK 30,250,000 in gross proceeds
- Argeo Venture started transit for TotalEnergies project
- Argeo is granted new patent for acoustic tracking of buried subsea objects
- Argeo granted patent from the Norwegian Industrial Patent office (Patentstyret) safeguarding the high-performance electromagnetic system "Argeo Listen"

A complete subsea service provider

from acquisition to actionable data

Argeo is a complete subsea service provider operating in three major verticals, oil & gas, marine minerals, and the renewables sector. We offer a unique package combining **robust vessels**, **superior AUV's, advanced sensors** and digital imaging technology and an **intuitive digital platform** that collects complex data and brings this to life. With our own vessels and superior AUV's we are fast, flexible and in a unique position to offer full lifecycle services. Our services include survey, inspection, maintenance, and repair, increasing efficiency and reducing carbon footprint for our customers.

Bringing complex data to life

in three key verticals

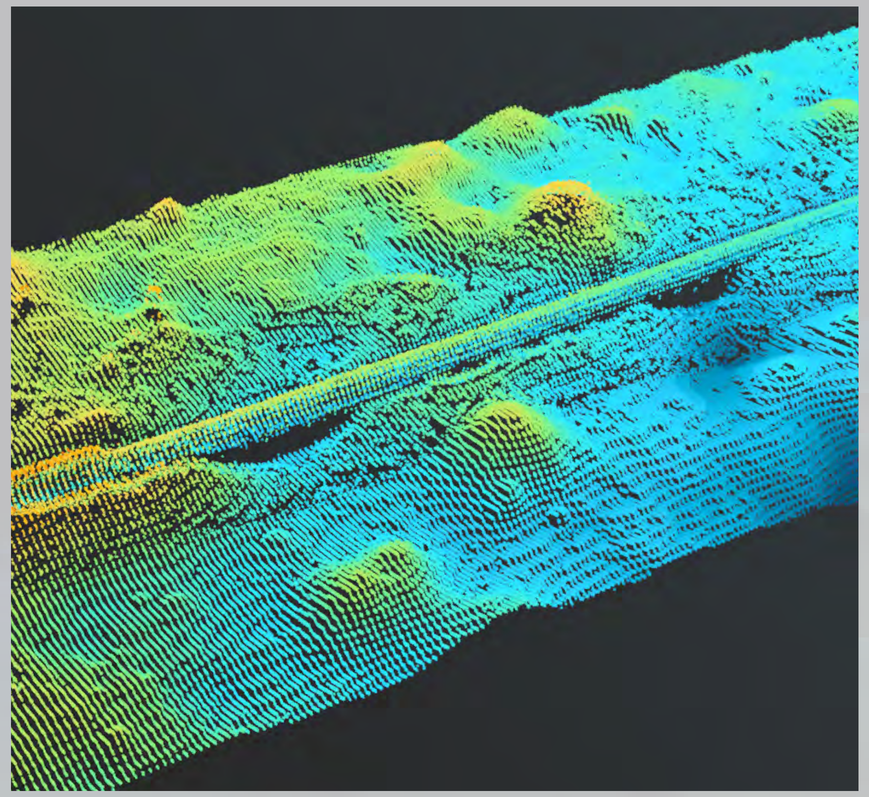
Argeo conducts ocean surveys & inspections using autonomous robotic solutions for three key markets, Oil & Gas, Marine Minerals and Renewables

More cost-efficient survey and inspection giving our clients

- Faster inspections
- Faster project turnaround
- Lower CO_2 footprint
- Safer operations with lower HSE risk

Easy access to actionable data

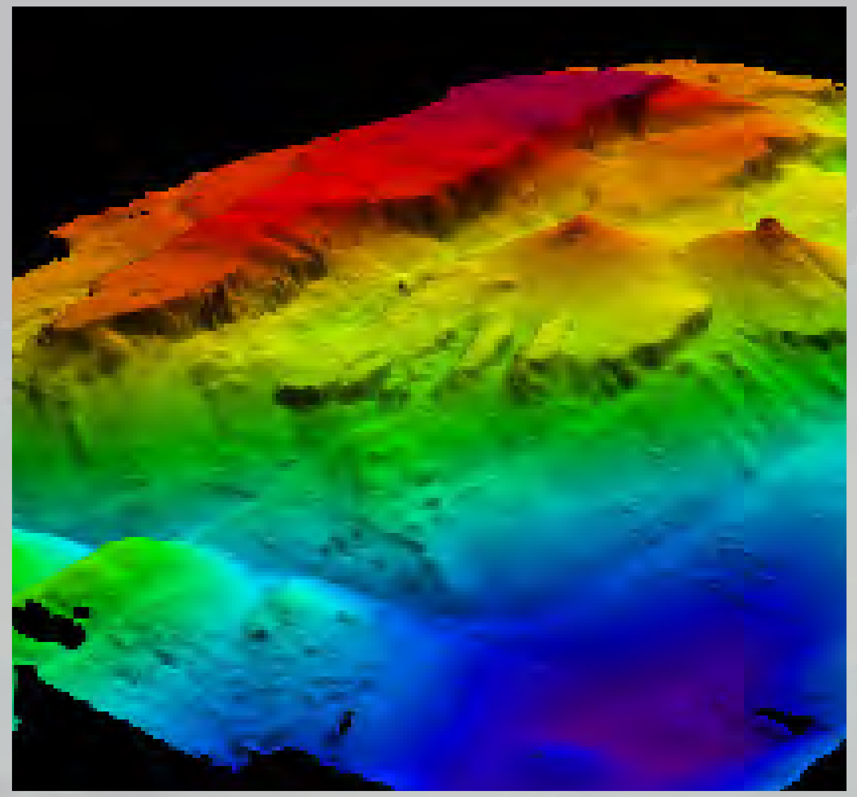
- Rapid decision ready data to clients during mission and project lifecycle
- Intuitive visualizations of complex data



Oil & Gas

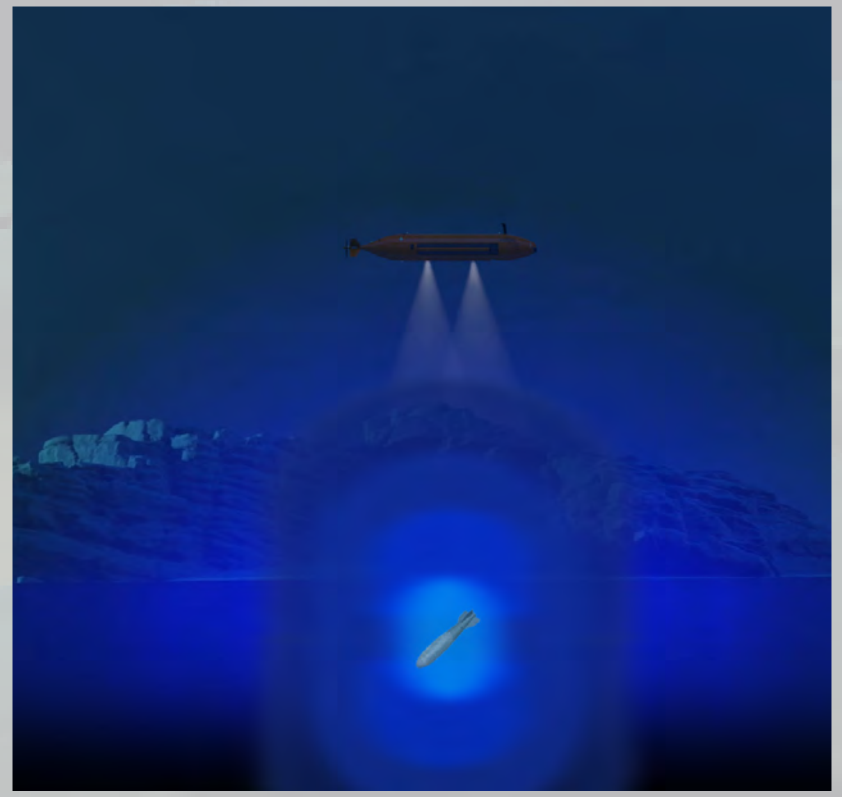
Argeo provides comprehensive services for the oil and gas industries, specializing in Inspection, Maintenance, Repair, and Survey (IRMS).

Our offerings include greenfield development, route survey connections with the installation of Floating Production Storage and Offloading units (FPSOs), and the inspection of existing pipelines, power cables, and subsea infrastructure. We conduct detailed subsea inspection programs and handle general maintenance activities. Additionally, we offer seismic support operations for Ocean Bottom Node (OBN) in collaboration with Shearwater Geo.



Marine Minerals

Argeo work with marine minerals companies and geological institutions to conduct exploration surveys for new licenses and resource estimation. They also perform environmental assessments before and after exploration and extraction activities.



Renewables

Argeo provides advanced survey and inspection services to the offshore wind industry using cutting-edge technology.

Our offerings include pre-installation and route surveys (IRMS), cable burial inspection, and underwater data collection for new areas. Argeo supports wind farm construction, infrastructure inspections, and offers multi-client services for greenfield acreage. These solutions ensure efficient and safe installation of wind turbines, promoting sustainable ocean wind energy.

Market report

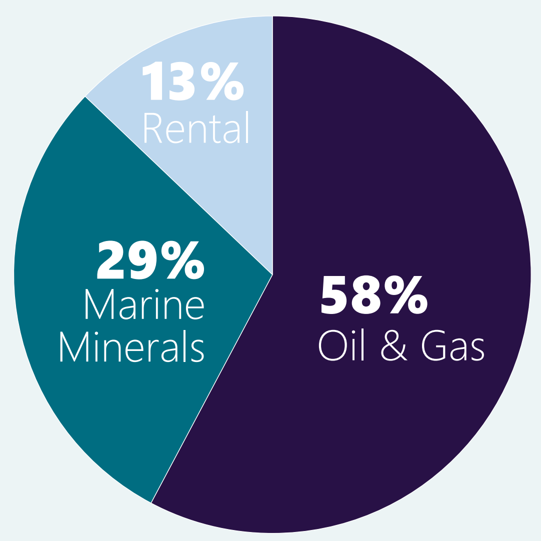
Market report

Strong strategic position within oil & Gas and

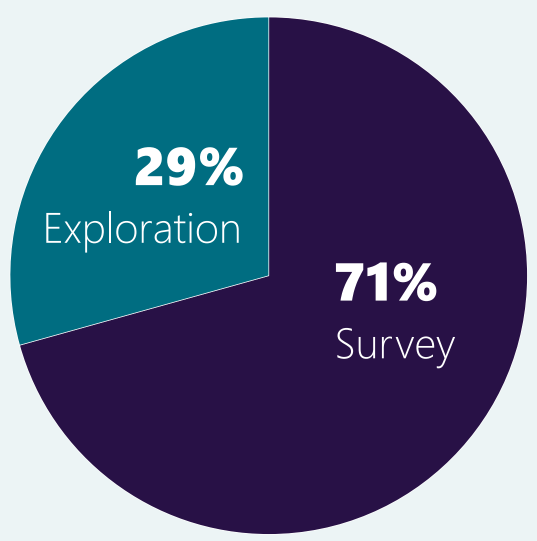
Argeo is developing a strong strategic position in our main verticals. This position allows us to move assets between verticals and therefore secure a higher utilization for our vessel spreads and assets.

In the year to date, Argeo has acquired important market shares in both Oil & Gas, and Marine Minerals and Renewables (Q3), for tier 1 clients. The Oil and Gas sector leads with 58% of the company's revenues, highlighting a consistent demand and our deep expertise in this industry. The Marine Minerals sector contributes 29%, showcasing our expanding role in this emerging market and finally now also seeing a growth in the Offshore Wind vertical. Geographically, our position has been particularly strong in West Africa, with 66% of our year-to-date revenues concentrated in this region, The remaining 34% of our revenues are from the Asia Pacific region, reflecting our strategic focus on expanding in this dynamic market.

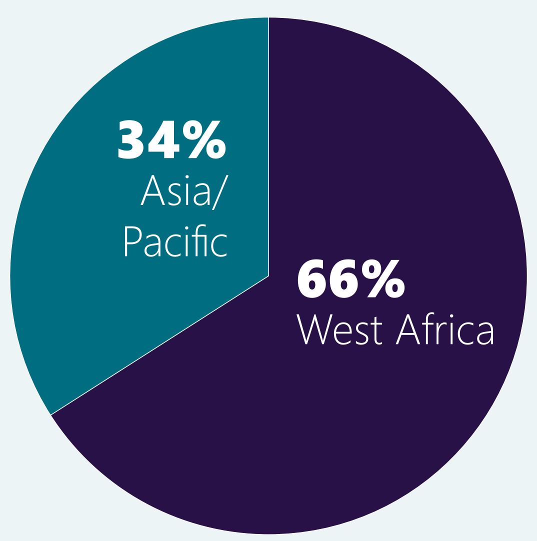
Revenue distribution
per market



Revenue distribution
product



Revenue distribution
geomarket



Q2 2024 FINANCIALS

Financial statements

Revenue

Revenue for Q2 2024 was USD 15.7 million, compared to USD 1.4 million in Q2 2023. Revenue in Q2 2024 is mainly from the deep-water mineral survey with India's National Centre for Polar and Ocean Research (NCPOR) in the Indian Ocean, and from the contract with TotalEnergies in Namibia.

Cost

Cost of sales in Q2 2024 was USD 10.2 million, compared to USD 2.4 million in Q2 2023. Main reason for the increase is having two vessels in activity in Q2 2024 compared to one in the previous quarter, combined with higher operating cost in the area of operation.

Selling, general and administrative expenses increased from USD 0.6 million in Q2 2023 to USD 1.3 million in Q2 2024. The increase is reflecting a build-up of the organization to handle more activity with Argeo Venture coming into operation in 2024.

EBITDA

EBTIDA was USD 4.2 million in Q2 2024, compared to minus USD 1.6 million in Q2 2023.

Depreciation and amortisation

Depreciation and amortisation increased from USD 1.1 million in Q2 2023 to USD 2.6 million in Q2 2024. The increase in Q2 2024 is due to depreciation on the new assets Argeo Venture and two Hugin Superior AUV's. There is also an increase due to depreciation on the IFRS 16 Right-of-use assets bareboat charter of Argeo Searcher and office leases.

Financial items

Net financial loss in Q2 2024 was USD 2.6 million and includes currency exchange loss amounting to USD 0.7 million. Net financial gain in Q2 2023 was USD 0.1 million.

Net Profit/ Loss

Net loss for Q2 2024 was USD 0.9 million compared to a net loss of USD 2.6 million in Q2 2023.

Balance Sheet

Total non-current assets at the end of the period were USD 82.3 million. Of this, Right-of-use assets amounted to USD 28.4 million consisting of the bareboat charter Argeo Searcher, two Hugin Superior leases and office leases. Property, plant and equipment was USD 49.2 million in the end of the quarter, and is mainly two Searaptor AUV's, one Hugin 6000 AUV, the Argus USV, the vessel Argeo Venture and lease additions to Argeo Searcher.

Cash and cash equivalents balance was USD 2.7 million at the end of the quarter, compared to USD 5.3 million at year end 2023.

Total liabilities at the end of the quarter were USD 64.7 million, compared to USD 36.6 million at the end of 2023. The increase is mainly due to new lease for a Hugin Superior, and a new loan for Argeo Venture.

Shares

In April 2024, Argeo concluded its subsequent offering of 11,000,000 new shares at NOK 2.75 per share, raising gross proceeds of NOK 30,250,000.

In June 2024, Argeo did a consolidation (reverse split) of the Company's shares in the ratio 5:1. The new share capital of the Company after the reverse share split is NOK 22,208,174.50 divided into 44,416,349 shares, each with a nominal value of NOK 0.50.

As per 30 June 2024, a total of 1 526 000 options are outstanding in connection with the Company's share option program. 29 000 have vested and has a strike price of NOK 41. 1 487 000 options have a strike of NOK 16. The remaining 10 000 options are formalised as warrants ("Tranche 1 Warrants"). Exercise price for these is NOK 4.15, and all have vested.

In connection with the private placement in April 2021, the Company's general meeting approved the issuance of 750,000 new warrants to the existing shareholders of the Company before the private placement ("Tranche 2 Warrants"). 375 000 of these warrants expired in April 2023, and 258 103 was replaced with share options granted 23 January 2024. The remaining 116 897 Tranche 2 Warrants can be exercised at NOK 0.50 given a demonstrated share market price appreciation of three times the Subscription Price within a period of 4 years. The Subscription Price in the private placement in April 2021 was NOK 41 per share.

Consolidated interim statement of comprehensive income

All amounts in USD 1,000	Note	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Revenues	4	15,664	1,379	25,131	3,816
Total revenues and other income		**15,664**	**1,379**	**25,131**	**3,816**
Cost of sales		10,188	2,383	15,517	5,074
Gross profit		**5,475**	**-1,004**	**9,615**	**-1,257**
Selling, general and administrative expenses		1,258	570	2,488	1,238
Depreciation and amortisation	5,6	2,579	1,134	4,380	1,935
Total operating expenses		**3,837**	**1,704**	**6,868**	**3,172**
Operating profit (loss)/EBIT		**1,638**	**-2,708**	**2,746**	**-4,430**
Share of results from joint venture		-47	-21	-66	-40
Finance income		15	4	19	12
Finance expense	7	1,803	343	2,947	744
Net exchange gains/(losses)		-714	411	1,322	1,196
Net financial items		**-2,550**	**50**	**-1,672**	**424**
Profit/(loss) before tax		**-911**	**-2,658**	**1,074**	**-4,006**
Income tax expense		-	-19	-2	77
Net profit/(loss) for the period		**-911**	**-2,638**	**1,076**	**-4,083**
Other comprehensive income					
Items which may subsequently be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		687	-333	-1,681	-1,205
Other comprehensive income for the period		**687**	**-333**	**-1,681**	**-1,205**
Total comprehensive income for the period		**-224**	**-2,972**	**-605**	**-5,289**
Earnings per share					
Basic EPS - profit or loss attributable to equity holders (USD)	11	-0.02	-0.17	0.03	-0.27
Diluted EPS - profit or loss attributable to equity holders (USD)	11	-0.02	-0.17	0.03	-0.27
Net profit/(loss) for the year attributable to:					
Equity holders of the parent company		-911	-2,638	1,076	-4,083
Total comprehensive income attributable to:					
Equity holders of the parent company		-224	-2,972	-605	-5,289

Consolidated interim statement of financial position

All amounts in USD 1,000	Note	30/06/2024	31/12/2023
Intangible assets	6	4,255	3,790
Right-of-use assets		28,413	18,456
Property, plant and equipment	5	49,209	36,250
Multi-client inventory		381	699
Investment in joint venture		-	152
Total non-current assets		**82,258**	**59,347**
Trade receivables		8,739	219
Other receivables		8,863	4,071
Cash and cash equivalents		2,701	5,340
Contract assets		399	552
Other current assets		3,553	2,073
Total current assets		**24,256**	**12,254**
Total assets		**106,514**	**71,601**

All amounts in USD 1,000	Note	30/06/2024	31/12/2023
Share capital	9	2,163	1,890
Share premium		68,992	62,204
Other capital reserves		2,042	1,734
Other equity		-31,423	-30,818
Total equity		**41,774**	**35,010**
Non-current interest-bearing liabilities	7	15,559	4,940
Non-current lease liabilities		19,066	13,112
Non-current provisions		1	2
Total non-current liabilities		**34,626**	**18,053**
Current interest-bearing liabilities	7	3,817	2,394
Trade payables		13,947	6,456
Current lease liabilities		7,557	4,751
Current provisions		867	432
Contract liabilities		-	2,225
Other current liabilities		3,924	2,280
Total current liabilities		**30,113**	**18,537**
Total liabilities		**64,739**	**36,590**
Total equity and liabilities		**106,514**	**71,601**

Oslo, 29 August 2024

Jan P. Grimnes
Chair of the Board

Geir Kaasen
Board member

Heidi G. Holm
Board member

Jim Dåtland
Board member

Lars Petter Utseth
Board member

Peter A. Hooper
Board member

Trond F. Crantz
CEO

Consolidated interim statement of changes in equity

All amounts in USD 1,000	Paid-in equity				Other equity		
	Share capital	Share premium	Other capital reserves		Cumulative translation differences	Retained earnings	Total equity
Equity 1 January 2023	**565**	**27,356**	**1,640**	-	**-2,191**	**-12,766**	**14,604**
Net profit or loss for the period	-	-	-		-	-4,083	-4,083
Other comprehensive income	-	-	-		-1,205	-	-1,205
Total comprehensive income for the period	**-**	**-**	**-**	-	**-1,205**	**-4,083**	**-5,289**
Issue of share capital (Note 9)	178	7,653	-		-	-	7,830
Registration of shares from December 2022	213	-213	-		-	-	-
Share-based payment (Note 10)	-	-	87		-	-	87
Equity 30 June 2023	**956**	**34,796**	**1,727**	-	**-3,396**	**-16,849**	**17,233**

	Paid-in equity				Other equity		
	Share capital	Share premi-um	Other capital reserves		Cumulative translation differences	Retained earn-ings	Total equity
Equity 1 January 2024	**1,890**	**62,204**	**1,734**	-	**-1,117**	**-29,701**	**35,010**
Net profit or loss for the period	-	-	-		-	1,076	1,076
Other comprehensive income	-	-	-		-1,681	-	-1,681
Total comprehensive income for the period	**-**	**-**	**-**		**-1,681**	**1,076**	**-605**
Issue of share capital (Note 9)	273	6,788	-		-	-	7,061
Share-based payments (Note 10)	-	-	308		-	-	308
Equity 30 June 2024	**2,163**	**68,992**	**2,042**	-	**-2,798**	**-28,625**	**41,774**

Consolidated interim statement of cash flows

All amounts in USD 1,000	Note	YTD Q2 2024	YTD Q2 2023
Cash flow from operating activities			
Profit/loss before tax		1,074	-4,006
Adjustments to reconcile loss before tax to net cash flow			
Net financial items		1,672	-424
Depreciation, amortisation, and impairment		4,380	1,935
Share-based payment expense		300	-1
Working capital adjustments			
Changes in trade and other receivables		-13,312	1,042
Changes in contract assets and other current assets		1,329	-1,003
Changes in trade payables		7,491	1,276
Changes in provisions		434	295
Changes in contract liabilities and other current liabilities		-580	-3,317
Net cash flows from operating activities		**132**	**-4,204**
Cash flow from investing activities			
Purchase of property, plant and equipment		-15,482	-1,466
Investment in subsidiaries		-122	-
Investment in Multi-client		292	-292
Development expenditures		-603	-1,008
Interest received		19	5
Net cash flows from investing activities		**-15,896**	**-2,762**
Cash flow from financing activities			
Proceeds from issuance of equity		7,061	7,830
Repayments of long term debt		-1,753	-4,159
Proceeds from long term debt		14,000	2,806
Payments for principal for the lease liability		-3,483	-276
Payments for interest for the lease liability		-1,589	-229
Interest paid		-1,035	-31
Net cash flows from financing activities		**13,201**	**5,941**
Net change in cash and cash equivalents		**-2,564**	**-1,026**
Cash and cash equivalents at beginning of the year		5,340	2,163
Net foreign exchange difference		-75	10
Cash and cash equivalents at the end of the period		**2,701**	**1,147**

Notes

Note 1 General information

Argeo AS ("the Company") is open for trading on Euronext Growth, with the ticker symbol ARGEO. The Company is incorporated and domiciled in Norway with principal offices located at Nye Vakås vei 14, 1395 Hvalstad, Norway.

Argeo AS and its subsidiaries (collectively "the Group" or "Argeo") offers services and technical solutions to the surveying and inspection industry.

The interim consolidated financial statements of the Group for the period ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 29 August 2024.

Note 2 Basis of preparation and significant accounting policies

The interim consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidates statement of cash flows, consolidated statement of changes in equity and selected explanatory notes.

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by The European Union ("EU").
The interim consolidated financial statements are unaudited.

The interim consolidated financial statements of the Group for the six months ended 30 June 2024 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Argeo's 2023 consolidated financial statements, which are available at www.argeo.no. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated annual financial statements for the year ended 31 December 2023.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim consolidated financial statements have been prepared on a historical cost basis. All figures are presented in United States dollar ("USD") thousands (USD 1,000), except when otherwise stated.

Further, the interim consolidated financial statements are prepared on a going concern assumption.

Presentation and functional currency
Argeo AS has Norwegian krone (NOK) as its functional currency and its subsidiaries have NOK, USD or Brazilian real (BRL) as their functional currencies. The Group presents it's interim consolidated financial statements in USD to provide the primary users of the financial statements with more convenient information.

Note 3 Significant accounting judgements, estimates and assumptions

The preparation of the interim consolidated financial statements in accordance with IAS 34 and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
The estimates and the underlying assumptions are reviewed on an ongoing basis.

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

In preparing the interim consolidated financial statements, the significant judgments, estimates and assumptions made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to the Group's annual financial statements for the year ended 31 December 2023.

Note 4 Revenues

Argeo AS has one operating segment focused on the delivery of subsea services. The operating segment is reported in a manner consistent with the internal reporting to the Board of Directors (the Group's chief operating decision-maker).

The Group's revenue from contracts with customers arise primarily from the performance of subsea services in accordance with customer specifications.

Specification of revenue from contracts with customers (USD 1,000):	**Q2 2024**	**Q2 2023**	**YTD Q2 2024**	**YTD Q2 2023**
Revenue from contracts with customers	15,608	659	23,771	2,276
Rental income	56	719	1,360	1,540
Total revenues	**15,664**	**1,379**	**25,131**	**3,816**

Geographical markets (USD 1,000)	**Q2 2024**	**Q2 2023**	**YTD Q2 2024**	**YTD Q2 2023**
Africa	10,258	-	15,678	-
Asia	5,350	-	8,093	-
Europe	-	659	-	2,276
Total revenue from contracts with customers	**15,608**	**659**	**23,771**	**2,276**

Notes

Note 5 Property, plant and equipment

USD 1,000	Vessels	AUV, USV [1]	Misc. Equipment	Office equipment	Total
Acquisition cost 1 January 2023	**844**	**20,301**	**558**	**361**	**22,063**
Additions	20,259	298	365	143	**21,064**
Sale equipment	-	-	-169	-	**-169**
Acquisition cost 31 December 2023	**21,102**	**20,598**	**754**	**504**	**42,959**
Additions	13,755	909	601	216	**15,482**
Currency translation effects	-	56	-	-1	**55**
Acquisition cost 30 June 2024	**34,857**	**21,563**	**1,355**	**720**	**58,495**
Acc.dep. & impairment 1 January 2023	**-**	**858**	**210**	**130**	**1,198**
Depreciation for the year	344	2,411	125	142	**3,022**
Impairment for the year	-	2,700	-	-	**2,700**
Sale equipment	-	-	-133	-	**-133**
Currency translation effects	-	-52	-	-26	**-78**
Acc.dep. & impairment 31 December 2023	**344**	**5,917**	**202**	**246**	**6,709**
Depreciation for the period	860	1,567	55	93	**2,576**
Currency translation effects	-	3	-	-0	**2**
Acc.dep. & impairment 30 June 2024	**1,204**	**7,486**	**258**	**339**	**9,287**
Carrying amount 31 December 2023	**20,759**	**14,681**	**552**	**259**	**36,250**
Carrying amount 30 June 2024	**33,653**	**14,077**	**1,097**	**381**	**49,209**
Economic life	5-10 years	7 years	3-5 years	3 years	
Depreciation method	Linear	Linear	Linear	Linear	

Additions in Q2 2024 are mainly related to reactivation and upgrade cost for the vessel Argeo Venture.

No indicators for impairment of property, plant and equipment were identified for the six months ended 30 June 2024.

[1] Autonomous Underwater Vehicles (AUV) and Unmanned Surface Vessels (USV).

Note 6 Intangible assets

USD 1,000	Development	Software	Patents and licenses	Total
Acquisition cost 1 January 2023	**1,675**	**871**	**203**	**2,748**
Additions	1,509	-	14	**1,523**
Currency translation effects	9	-9	-	**-**
Acquisition cost 31 December 2023	**3,192**	**862**	**217**	**4,271**
Additions	603	-	-	**603**
Currency translation effects	6	-43	-	**-38**
Acquisition cost 30 June 2024	**3,801**	**818**	**217**	**4,837**
Acc. amortisation 1 January 2023	**-**	**247**	**36**	**282**
Amortisation charge for the year	-	130	40	**170**
Currency translation effects	-	28	-	**28**
Acc. amortisation 31 December 2023	**-**	**405**	**76**	**481**
Amortisation charge for the period	-	82	22	**104**
Currency translation effects	-	-3	-	**-3**
Acc. amortisation 30 June 2024	**-**	**484**	**98**	**581**
Carrying amount 31 December 2023	3,192	457	141	**3,790**
Carrying amount 30 June 2024	**3,801**	**335**	**120**	**4,255**
Economic life	5 years	5 years	5 years	
Depreciation method	Linear	Linear	Linear	

The capitalised development costs in Q2 2024 are mainly related to development of Argeo's digital twin solution "Argeo Scope", and various sensor solutions.

No indicators for impairment of intangible assets were identified for the six months ended 30 June 2024.

Notes

Note 7 Interest-bearing debt

Loans from Innovation Norway
The Group had three loans from Innovation Norway at the end of June 2024, all bearing an interest at 8.20%*.

The Group has covenants related to the Innovation Norway funding (Loan Innovation Norway – C). The covenants are measured half-yearly based on the Group's ordinary financial reporting. The Group was compliant with all covenants as of 30 June 2024.

Assets pledged as security for secured liabilities
All three loans from Innovation Norway are secured with machinery and plant in Argeo Survey AS, Argeo AS and Argeo Robotics. Further, the loans are secured with 50% of the shares in H1000 JV AS, a parent company guarantee from Argeo AS, and trade receivables in Argeo Survey AS.

Seller's credits
The Group has seller's credits related to purchases of AUVs.

Loan Argeo Venture
In February 2024 the Group entered into a sale-and-leaseback transaction involving the Company's vessel Argeo Venture. The transaction has been accounted for as a financing arrangement.

Non-current interest-bearing liabilities (USD 1,000)	Interest rate	Maturity	30/06/2024	31/12/2023
Seller's credit - A	12.80%	2026	1,730	1,971
Seller's credit - B	14.10%	2026	618	691
Seller's credit - C	14.10%	2025	-	293
Loan Innovation Norway - A	8.20%	2025	-	5
Loan Innovation Norway - B	8.20%	2026	113	177
Loan Innovation Norway - C	8.20%	2028	1,566	1,802
Loan Argeo Venture		2029	11,533	-
Non-current interest-bearing debt			**15,559**	**4,940**

Current interest-bearing liabilities (USD 1,000)	Interest rate	Maturity	30/06/2024	31/12/2023
Seller's credit - A	12.80%	2026	369	-
Seller's credit - B	14.10%	2026	124	-
Seller's credit - C	14.10%	2025	1,485	2,096
Loan Innovation Norway - A	8.20%	2025	13	16
Loan Innovation Norway - B	8.20%	2026	113	118
Loan Innovation Norway - C	8.20%	2028	313	164
Loan Argeo Venture		2029	1,400	-
Current interest-bearing debt			**3,817**	**2,394**

*Innovation Norway may adjust the interest rate with a six week notice upon changes in underlying market rates.

Note 8 Fair value measurement

Fair value disclosures
Management has assessed that the fair values of cash and cash equivalents, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Interest-bearing debt
For the interest-bearing liabilities, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is close to current market rates. The fair values of Interest-bearing liabilities are based on discounted cash flows using the current borrowing rate.

Note 9 Share capital and shareholders information

Issued capital and reserves:

Share capital in Argeo AS	Number of shares issued and fully paid	Par value per share (NOK)	Financial position (USD 1,000)
At 1 January 2023	**51,096,960**	**0.1**	**565**
Share capital increase January	21,783,840	0.1	213
Share capital increase February	3,124,368	0.1	31
Share capital increase February	139,337	0.1	1
Share capital increase June	15,576,168	0.1	146
Share capital increase July	2,670,531	0.1	25
Share capital increase October	78,125,000	0.1	721
Share capital increase November	20,123,625	0.1	186
Share capital increase December	260,095	0.1	2
At 31 December 2023	**192,899,924**	**0.1**	**1,890**
Share capital increase March	18,181,818	0.1	172
Share capital increase April	11,000,000	0.1	101
Share capital increase June	3	0.1	0
Reverse share split (1:5) June	-177,665,396	0.5	
At 30 June 2024	**44,416,349**	**0.5**	**2,163**

Shareholders in Argeo AS at 30 June 2024	Total shares	Ownership/voting rights
KISTEFOS AS	6,524,368	14.7%
SHEARWATER GEOSERVICES HOLDING AS	4,024,725	9.1%
LANGEBRU AS	2,500,000	5.6%
PRO AS	1,889,560	4.3%
SPAREBANK 1 MARKETS AS	1,536,691	3.5%
NORDNET LIVSFORSIKRING AS	1,511,571	3.4%
REDBACK AS	1,358,903	3.1%
ØSTERBRIS OFFSHORE AS	1,290,909	2.9%
ASCENT AS	1,119,316	2.5%
DNB BANK ASA	700,830	1.6%
MP PENSJON PK	596,891	1.3%
RANUM	560,000	1.3%
NORDNET BANK AB	480,000	1.1%
HUNDERI HOLDING AS	377,473	0.8%
TROPTIMA AS	366,194	0.8%
HAUGEN	347,360	0.8%
LINDVARD INVEST AS	333,933	0.8%
PERFORMA CONSULTING AS	326,194	0.7%
BERGSTÅ	300,000	0.7%
RAVI INVESTERING AS	300,000	0.7%
HANDÅ	300,000	0.7%
VIK	300,000	0.7%
Other	17,371,431	39.1%
Total	**44,416,349**	**100%**

Notes

10 Share-based payment

Employees (including members of Executive management) and the Board of Directors receive remuneration in the form of share-based payment (options and warrants). As per 30 June 2024, the Group had 1,516,000 outstanding options and 10,000 outstanding warrants, with a weighted average strike price of NOK 16.48 and NOK 4.15, respectively.

On the 23rd of January 2024 the Group granted 1,501,000 share options which will vest 1/3 each year over a total vesting period of 3 years. The last possible exercise date 5 years from the grant date.

The grant replaces the 111,000 outstanding share options from the grant in December 2021 and 7,200 of the "Tranche 1" warrants, and 516,213 of the "Tranche 2" warrants.

The new awards in 2024 have been assessed to represent a replacement of the original awards from 2021. The incremental value arising from the granting of the replacement awards in 2024 is recognised over the vesting period of the replacement award.

The Group recognised USD 300 thousand of share-based payment expense in the consolidated statement of comprehensive income during the first half of 2024.

As at 30 June 2024, the Group has recognised a social security provision for share-based payment of USD 1 thousand.

[1)] Historical numbers are adjusted for the reverse share split in June 2024.

11 Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS calculations:

USD	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Loss attributable to ordinary equity holders	-911,116	-2,638,248	1,076,303	-4,083,128
Weighted average number of ordinary shares - for basic EPS	43,884,480	15,263,134	41,447,790	15,059,844
Weighted average number of ordinary shares adjusted for the effect of dilution*	45,527,523	16,203,991	42,961,053	16,013,857
Basic EPS - profit or loss attributable to equity holders of the Company	-0.02	-0.17	0.03	-0.27
Diluted EPS - profit or loss attributable to equity holders of the Company*	-0.02	-0.17	0.03	-0.27

*For Q2 2024, Q2 2023 and YTD 2023 the ordinary shares are not adjusted for the effect of dilution as the effect of including the additional shares is antidilutive.

12 Events after the reporting period

Adjusting events
There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events
In August 2024 the Group signed an agreement for the sale of two SeaRaptor AUVs.

There have been no other significant non-adjusting events subsequent to the reporting date.

Alternative performance measures

Alternative performance measures
This section includes information about alternative performance measures (APMs) applied by the Group.

These alternative performance measures are presented to improve the ability of stakeholders to evaluate the Group's operating performance.

The Group applies the following APMs:

EBITDA
The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) is used to provide consistent information on the Group's operating performance relative to other companies, and is frequently used by analysts, investors and other stakeholders when evaluating the financial performance of the Group. EBITDA, as defined by the Group, includes total revenue and other income and excludes depreciation, amortisation and impairment loss. A reconciliation of EBITDA is presented below.

EBITDA (USD 1,000)	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Total revenues and other income	15,664	1,379	25,131	3,816
Cost of sales	10,188	2,383	15,517	5,074
Selling, general and administrative expenses	1,258	570	2,488	1,238
EBITDA	**4,217**	**-1,574**	**7,126**	**-2,495**
EBITDA margin	**26.9 %**	**-114.2 %**	**28.4 %**	**-65.4 %**

Superior capacity

With the most advanced fleet available

ROBUST AND MODERN
Vessels

Argeo Searcher

Argeo Venture

SUPERIOR
AUV’s

Hugin Superior

Q1 2025

Hugin 6000/1000

Advanced Robotics

Argeo Electromagnetic sensor system

ARGEO LISTEN

- ✓ Positioning and burial depth of active power cables
- ✓ Inspection of subsea cathodic protection systems
- ✓ Marine Mineral exploration
- ✓ General site survey

ARGEO WHISPER

- ✓ Tracking/burial depth of "dead" power cables
- ✓ Tracking buried pipelines
- ✓ Detection of Unexploded Ordnance (UXO)
- ✓ Marine Minerals exploration

ARGEO DISCOVER

- ✓ Marine Minerals exploration

Turn key final product

with Argeo SCOPE digital solution

Cloud-based solution for management, analysis, and interpretation of Ocean Space data

Enables **efficient 3D visualization** of Ocean Space Data in a user-friendly **browser-based interface**, supporting a **collaborative data** sharing and a smoother interpretation workflow.

Seamless data fusion from seabed measurements such as:

- Synthetic aperture sonar (SAS)
- Sub-bottom profiler (SBP)
- Backscatter
- Bathymetry
- Subsea camera and snapshots
- Environmental data
- Laser measurements
- Geo-taggable documents
- WMS Services
- Interpreted surfaces and horizons from legacy platforms
- Electromagnetic field data

Clean and safe oceans

through responsible operations

Through our core business, we help our clients become more efficient in keeping the oceans safe and clean. Our complete set-up of vessels, robotic subsea equipment and our own developed and patented sensor systems enables us to perform inspection surveys up to eight times more efficiently than traditional methods. This technological edge not only enhances operational efficiency but also reduces environmental impact. **Therefore, HSEQ management is paramount for Argeo and being responsible is part of our core values.**

Our operations include inspection and maintenance of equipment for the Oil & Gas industry in addition to identification of outdated production equipment for removal, contributing to decommissioning (DECOM) efforts. Furthermore, Argeo's use of fuel-efficient vessels and battery-run robotic equipment underscores our commitment to sustainability, providing our company and services with a distinct green profile. Through these initiatives, Argeo continues to lead by example in promoting environmental stewardship and innovative solutions within the industry.

One of Argeo's most important value is to be responsible. This means that we must conduct business operations in a responsible and safe manner and to foster a healthy and prosperous workplace based on fairness and equality.

The UN Sustainable Development Goals were adopted by all the world's governments at the United Nations in 2015 and provide a common and necessary roadmap. At Argeo, we celebrate these goals and believe in making a difference in the ocean space. All 17 of the UN SDGs are relevant to our business, yet we have chosen to focus on four main areas; 7: affordable and clean energy, 9: industry, innovation and infrastructure, 13: climate action and 14: life below water. We find that we can contribute more within these areas and that they are enablers to further strengthen the full set of UN goals.

Status & ambition

As of Q2 2024 we have not yet started measuring a comprehensive carbon footprint, but it is our ambition to do so going forward. As our company grows it is also our ambition to set clear goals and to integrate an environmental awareness into all levels ofthe company, meaning we want sustainability to permeate the business. From how we write the contracts with our customers to the waste management in every office.

	HEALTH	SAFETY	ENVIRONMENT	QUALITY
Goals	We strive to achieve **zero harm** to people and to achieve zero LTIR	Our focus is to **prevent incidents** and promote a **safety culture** everywhere we operate	We are committed to understand and collectively work towards **reducing our environmental footprint**	Our focus is to **enhance quality** of products and service to exceed **customer satisfaction**
Achievements	• Zero fatality • Zero LTIR* • Zero MTC*	• Zero fatality • Low HIPO • High safety observations • 90% safety interventions	• Zero environmental incidents • Lean fuel consumption • Circular economy	• Deliver ahead on-time • High quality data • Low turnaround time

* Lost TIme Incident Rate (LTIR) and Medical Treatment cases (MTC) in rolling 12 months

Supporting development of renewable energy with a strong focus on offshore wind and Carbon Capture & Storage projects offshore.

Project based vessel hires allows for local charters.
Survey sensor development through 3rd party **partners.**

Reduced carbon footprint in operation
Vital surveys of environmental impact

Argeo solutions are key to examine impact on habitat and species below water, collecting data for benthic surveys through non-physical samples.

#argeopeople

We are committed to our employees as well as our impact on the societies in which we operate. Argeo has a strong focus on ensuring equal treatment and opportunity for all staff members, promoting diversity, and maintaining an inclusive and harassment free workplace. Argeo is committed to respecting and promoting human rights of all individuals potentially affected by our operations. In Argeo, it is a continual process to improve on transparency, supply chain management and our professional conduct.

Environmental

Through our core business, we help our clients become more efficient

Status & ambition

Responsibility is a fundamental value at Argeo. We are dedicated to conducting our business with integrity, prioritizing safety and responsibility, and striving to minimize our environmental footprint. Argeo places significant emphasis on preventing negative environmental impacts from our operations.

Our company policy is to maintain safe and pollution-free practices that comply with both national and international regulations, as well as relevant standards and guidelines. Our objective is to continuously enhance our management skills in relation to environmental protection and we are committed to understand and collectively work towards reducing our environmental footprint.

Vessel emissions in Q2 2024

	Argeo Searcher	Argeo Venture	Ocean Guardian
CO_2	2352 Tons	2788 Tons	193 Tons
NOx	36696 Kg	43481 Kg	3003 Kg
Sox	1466 Kg	1737 Kg	120 Kg

Social

Building and sustaining a fair, responsible, and attractive workplace

The right balance of people

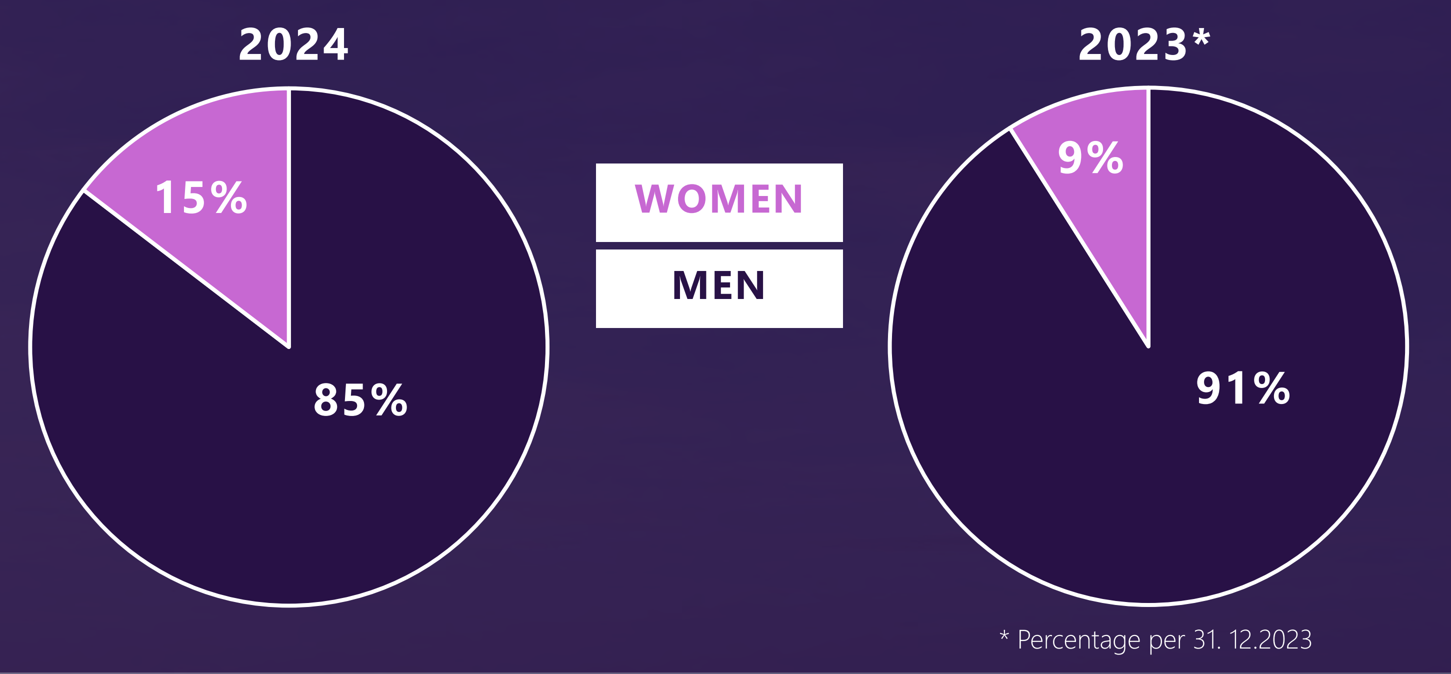
We believe maintaining a balanced and diverse workforce in terms of gender, age, and nationalities is a strategic advantage that fosters diverse perspectives and drives innovation.

This diversity enhances our ability to understand and serve a global customer base, strengthening our competitiveness and market presence. A varied team promotes an inclusive and collaborative work environment, encouraging creativity and improving overall performance.

By embracing diverse experiences and viewpoints, we attract top talent, enhance employee satisfaction, and reduce turnover. This balance results in better decision-making and a more robust, adaptable organization.

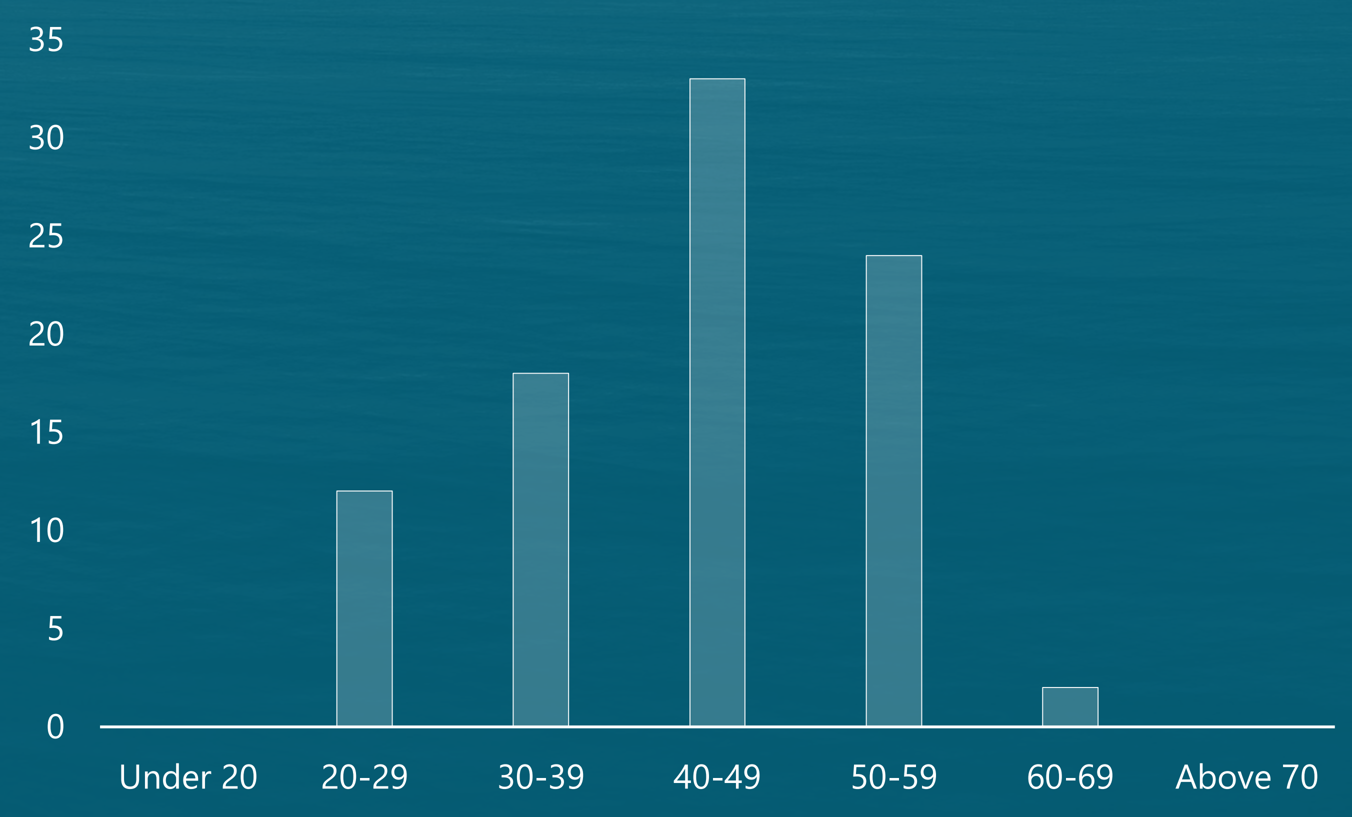
End of Q2 2024 Argeo employees were from **19 nationalities**

Gender balance per date



* Percentage per 31. 12.2023

Age distribution per date



Governance

We believe active corporate governance is vital to the development of companies and that it provides long-term benefits for all Argeo's stakeholders.

Argeo's framework for corporate governance is intended to decrease business risk, maximize value and utilize our resources in an efficient, sustainable manner, for the benefit of shareholders, employees, and society at large.

At Argeo we are all committed to

- Create a healthy and safe working place for both employees and contractors
- Create measurable goals
- Strive to achieve corporate environmental goals set forward
- Comply with relevant laws and regulations
- Promote a culture in which all employees share this commitment
- Promote responsible purchasing through our Supplier's Code of Conduct
- Develop and communicate a Company Code of Conduct
- Respecting and promote human rights of all individuals potentially affected by our operations. We respect the fundamental principles set forth in the Universal Declaration of Human Rights and related UN documents

Responsible business practices

Raising concerns & whistleblowing

All employees are encouraged to raise concerns wherever they identify activities which are not aligned with Argeo's values and behaviors. Argeo encourages employees to raise concerns in the first instance directly to line management. In circumstances where this is not possible or it may be more appropriate to do so due to the nature or seriousness of the concern, a confidential Whistleblowing portal is available.

Bribery and anti-corruption

Argeo has a zero tolerance for bribery and corrupt payments in whatever form, whether given or received, directly or indirectly, anywhere in the world. Most countries, including the USA, the UK and Norway, have strict anti-bribery and anti- corruption laws in place, which are intended to prevent companies and individuals from gaining an unfair advantage, and from undermining the rule of law. We must never offer or accept bribes or kickbacks and must not participate in or facilitate corrupt activities of any kind. We must also never engage a third party (in particular, a commercial agent or other business representative) who we believe may attempt to offer a bribe to conduct company business.

Per 2023 our suppliers are asked to fill out a "self-assessment form" and our future goal is to develop a formal Supply Chain Sustainability Code of Conduct.

Antitrust

Antitrust laws, sometimes also called competition laws, govern the way that companies behave in the marketplace. Antitrust laws encourage competition by prohibiting unreasonable restraints on trade and anti-competitive conduct. The laws deal in general terms with the way companies deal with their competitors, clients, and suppliers. Violating antitrust laws is a serious matter and could place both the company and the individual at risk of substantial criminal penalties.

Human rights policy

An important part of Argeo's commitment to responsible business is respecting human rights in accordance with internationally recognised standards. There is both a business and a moral case for ensuring that human rights principles are upheld during our operations and throughout our value chain.

Our approach is informed by the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Code of conduct

Argeo aspires to be an honest and trustworthy company. Our reputation depends upon each of us understanding the Code of Conduct, and always demonstrating integrity and honesty. The Code of Conduct sets the standard for how we should work together to develop and deliver our services, how we protect the value of Argeo, and how we work with customers, contractors, suppliers, and others.

Argeo
Nye Vakås v. 14 1395 Hvalstad
Norway
Telephone: +47 66 85 90 99
www.argeo.no

RSM Norge AS

Ruseløkkveien 30, 0251 Oslo
Pb 1312 Vika, 0112 Oslo
Org.nr: 982 316 588 MVA

T +47 23 11 42 00
F +47 23 11 42 01

www.rsmnorge.no

To the Shareholders of Argeo AS

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated balance sheet of Argeo AS as at 30 June 2024, and the related consolidated income statement, the statement of changes in equity and the cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Oslo, 29 August 2024
RSM Norge AS

Anders Nereng
State Authorised Public Accountant
(This document is signed electronically)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Nereng, Anders Ivar
Partner
På vegne av: RSM Norge AS
Serienummer: no_bankid:9578-5999-4-1194192
IP: 77.18.xxx.xxx
2024-08-29 19:21:45 UTC

Nereng, Anders Ivar
Statsautorisert revisor
På vegne av: RSM Norge AS
Serienummer: no_bankid:9578-5999-4-1194192
IP: 77.18.xxx.xxx
2024-08-29 19:21:45 UTC

ARGEO ASA

Nye Vakås vei 14

1395 Hvalstad

Norway

Managers

Paratus Securities AS	SpareBank 1 Markets AS
Dronning Mauds gate 3	Olav Vs gate 5
0250 Oslo	0161 Oslo
Norway	Norway

Legal advisor to the Company

Advokatfirmaet Schjødt AS

Tordenskiolds gate 12

0160 Oslo

Norway